

LAW OFFICES 414 UNION STREET, SUITE 1600 POST OFFICE BOX 198062 NASHVILLE, TENNESSEE 37219

TELEPHONE (615) 244-2582 FACSIMILE (615) 252-2380 INTERNET WEB http://www.bccb.com/

January 28, 2000

**VIA HAND DELIVERY** 

David Waddell **Executive Director** Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

Re:

Application of Knology of Tennessee, Inc. for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange Service, Intrastate Interexchange Service, and Access Service Within

Tennessee

Docket No. 00-00058

Dear Mr. Waddell:

April A. Ingram

(615) 252-2302

Fax: (615) 252-6302

Email: aingram@bccb.com

Knology of Tennessee, Inc. ("Knology" or "Applicant") hereby submits the enclosed Application, seeking authority to operate as a reseller and facilities-based provider of switched local exchange service, interexchange service and exchange access service within the state of Tennessee. An original and thirteen (13) copies are provided. Filed under separate cover are Exhibits 6 and 7 to the Application, both of which contain proprietary information. Because this information is highly confidential and proprietary, Knology requests that the Tennessee Regulatory Authority not disclose this financial information to the public or to any of Knology's competitors.

Also enclosed is a check in the amount of \$25.00 for filing fees. Notice of this filing has been served on interested parties.

Please date-stamp one copy and return it to the undersigned in the postage-paid envelope provided.

If you have any questions concerning this matter, or if you require additional information, please give me a call at 252-2302.

0620679.01 101419-001 01/27/2000 Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

April A. Ingram

AAI/

cc: Bruce Schoonover, Jr.

## BEFORE THE TENNESSEE REGULATORY AUTHORITY

			'00 JAN 28 PH 12 19	
IN RE:	Application of KNOLOGY of	)	Docket No. O - O > C	
	Tennessee, Inc. for a Certificate of	)		
	Convenience and Necessity as	)		
	a Competing Telecommunications	)	•	
	Service Provider	Ś		

KNOLOGY of Tennessee, Inc. (KNOLOGY); pursuant to the provisions of T.C.A. §§65-4-201(b) (c) and (d), hereby applies to the Tennessee Regulatory Authority (Authority) for a Certificate of Convenience and Necessity to become a Competing Telecommunications Service Provider as defined by T.C.A. §65-4-101(e). Applicant respectfully requests that the Authority grant a Certificate to Applicant to provide a broad range of local exchange, intrastate interexchange and exchange access telecommunications services throughout the State of Tennessee in all geographic locations permitted by the provisions of T.C.A. §§65-4-201 (et seq.). In support of its Application, KNOLOGY provides the following information:

1. The Applicant is incorporated under the State of Delaware and possesses the authority to transact business in Tennessee. KNOLOGY maintains its headquarters at 1241 O.G. Skinner Drive, West Point, Georgia 31833. Pending approval of its Application, the Applicant will establish offices in Tennessee. See <a href="Exhibit 1">Exhibit 1</a> for Applicant's Articles of Incorporation and <a href="Exhibit 2">Exhibit 2</a> for the Certificate of Authority to Transact Business in Tennessee.

2. All correspondence notices, and inquires regarding this Application should be addressed to:

### Legal Representative:

Mr. Henry Walker, Esq. 414 Union Street, Suite 1600 P.O. Box 198062 Nashville, Tennessee 37219 Phone: (615) 252-2363 Fax: (615) 252-6363

### Company Representative

Mr. Bruce Schoonover, Jr. KNOLOGY Holdings, Inc 1241 O.G. Skinner Drive West Point, Georgia 31833 Phone: (706) 645-3966 Fax: (706) 645-0148

- 3. The Applicant possesses the technological, financial and managerial resources required to provide the services for which authority is requested in this Application. Affiliates of the Applicant have been granted permission to provide local and interexchange telecommunications services in Georgia, Alabama, South Carolina and Florida by each state's Public Service Commission. Currently, each affiliate is providing quality telecommunications in each of these states. Exhibit 3 provides a summary of Applicant's affiliated companies and their existing markets. Exhibit 4 contains a corporate structure chart along with descriptions of recent mergers and/or acquisitions related to Applicant.
- 4. KNOLOGY is managed by a team of well-qualified officers and directors who have extensive experience in the telecommunications industry. The

names, titles and backgrounds of the officers and directors of KNOLOGY are listed in Exhibit 5 hereto.

- 5. KNOLOGY has access to the capital and resources necessary to establish its capability to provide the service for which authority is requested herein. Applicant will fund its network and operations through ongoing operations and through equity and debt offerings and a revolving credit facility. Attached as <a href="Exhibit 6">Exhibit 6</a> are audited financials statements for Applicant's parent company, KNOLOGY, Inc., as of December 31, 1998 and unaudited financial statements for the nine-month period ending September 30, 1999. None of the amounts on the financial statements contained in <a href="Exhibit 6">Exhibit 6</a> are related to reciprocal compensation for terminating ISP traffic. <a href="Exhibit 7">Exhibit 7</a> contains projected financials statements and a three-year capital budget for KNOLOGY's Tennessee operations. Because the information contained in <a href="Exhibit 7">Exhibit 7</a> is confidential and proprietary financial information, this Exhibit is being filed under seal pursuant to TRA Rule 1220-1-1-.03(8).
- 6. The Applicant is proposing to provide intrastate local and interexchange telecommunications services to residential and commercial customers in the State of Tennessee. Additionally, Applicant may augment its service offerings in the future and add new services and capabilities, as they become available. Applicant plans to provide its local telecommunications primarily using its own facilities; however, initially it may choose to resell the ILEC's local service. Service will be available on a full time basis, twenty-four hours a day, seven days a week. Along with the services listed in the informational tariffs (Exhibits 11 and 12), KNOLOGY customers will have access to E911 emergency services, directory assistance, directory listings, Tennessee Relay

Center, and blocking service for 900, 976-type services. In certain circumstances, KNOLOGY customers may be required to pay a deposit before telephone service will be established. KNOLOGY is not bonded for the amount of the deposits. Terms and conditions for customer deposits can be found in Sections 4.6.3 and 2.5.1, respectively, of the informational tariffs filed as <a href="Exhibits 11">Exhibits 11</a> and <a href="Exhibits 12">12</a>. KNOLOGY may, in certain circumstances require certain non-recurring charges for initiating local exchange service. Terms and conditions for such non-recurring charges can be found in Section 5 of the informational tariff filed as <a href="Exhibit 11">Exhibit 11</a>. KNOLOGY will not require Tennessee consumers to purchase Customer Premise Equipment (CPE) that cannot be used with the incumbent local exchange carrier's systems. <a href="Exhibit 8">Exhibit 8</a> provides further information on the technical capability of the Applicant.

7. Applicant is familiar with and will adhere to the Authority's rules, policies and orders regarding the provision of telecommunications services including those contained in TRA Rule 1220-4-8-.04. A decision by the Commission granting the Applicant authority to provide the broad range of telecommunications services described herein is in the public interest. Permitting the Applicant to provide the services described in this Application will expand service options and increase competition in Tennessee. Approval will promote consumer choice by expanding the availability of innovative, high quality, reliable and competitively priced telecommunications services.

WHEREFORE, KNOLOGY of Tennessee, Inc. respectfully requests that this Commission grant it a Certificate of Convenience and Necessity to become a Competing Telecommunications Service Provider as defined by T.C.A. §65-4-101(e).

Respectfully submitted,

Henry Walker, Esquire Attorney for the Applicant

This day of January, 2000

#### **NOTICE OF FILING**

Knology of Tennessee, Inc. has filed an Application with the Tennessee Regulatory Authority for a Certificate of Convenience and Necessity as a Competing Telecommunications Service Provider. The undersigned hereby certifies that a copy of this notice and a copy of the Application has been served on the following persons via U.S. Mail this 28th day of January, 2000:

Guy M. Hicks
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300

T. G. Pappas, Esq.Bass, Berry & Sims2700 First American Center313 Deaderick StreetNashville, Tennessee 37238-2700

James B. Wright, Esq. United Telephone-Southeast, Inc. 14111 Capital Boulevard Wake Forest, NC 27587-5900

Ardmore Telephone Company, Inc. Terry Wales, General Manager P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449

Century Telephone or Adamsville
David Dickey, Division Manager
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310

Century Telephone of Claiborne Don Ray Fannon, Division Manager P.O. Box 100 57 Main Street New Tazewell, TN 37825 Century Telephone of Ooltewah-Collegedale, Inc. Terry Crutchfield, Division Manager P.O. Box 782 5616 Main Street Ooltewah, TN 37363

Citizens Telephone Company of Tennessee
Citizens Telecommunications Company of the Volunteer State
Mike Swatts, State Regulatory Director, South
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

TDS Telecom-Tellico Telephone Company, Inc. P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-0009

Loretto Telephone Company, Inc. Louise Brown, President P.O. Box 130 Loretto, TN 38469

Millington Telephone Company, Inc. W. S. Howard, President 4880 Navy Road Millington, TN 38053

Sprint-United Steve Parrott Director-Regulatory Affairs 112 Sixth Street Bristol, TN 37620

TDS Telecom-Concord Telephone Exchange, Inc. Jerry R. Parkerson, Manager P.O. Box 22610 701 Concord Road Knoxville, TN 37933-0610

TDS Telecom-Humphreys County Telephone Company Bernard R. Arnold, Manager P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552

TDS Telecom-Tennessee Telephone Company P.O. Box 18139
Knoxville, TN 37928-2139

TEC-Crockett Telephone Company, Inc. P.O. Box 7
Friendship, TN 38034

TEC-People's Telephone Company, Inc. P.O. Box 310 Erin, TN 37061

TEC-West Tennessee Telephone Company, Inc. P.O. Box 10 244 E. Main Street Bradford, TN 38316

United Telephone Company P.O. Box 38 120 Taylor Street Chapel Hill, TN 37034

April A. Ingram

## **EXHIBITS**

Articles of Incorporation Exhibit 1: Certificate of Authority to Transact Business in Tennessee Exhibit 2: Applicant's Affiliated Companies and Existing Service Areas Exhibit 3: Corporate Structure Chart / Description of Mergers/Acquisitions Exhibit 4: Managerial Qualifications Exhibit 5: **Financial Statements** Exhibit 6: Projected Financial Statements / 3 Year Capital Budget Exhibit 7 Technical Capability Exhibit 8: Small and Minority-Owned Telecommunications Business Plan Exhibit 9: IntraLATA Toll Dialing Parity Plan Exhibit 10: Informational Local Exchange Telecommunications Services Tariff Exhibit 11: Informational Intrastate Message Telecommunications (Toll) Services Exhibit 12: Tariff Year 2000 Disclosure Statement Exhibit 13: Exhibit 14: Pre-filed Testimony

# EXHIBIT 1 ARTICLES OF INCORPORATION KNOLOGY OF TENNESSEE, INC.

## State of Delaware Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "KNOLOGY OF TENNESSEE, INC.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF MAY, A.D. 1998, AT 9 O'CLOCK A.M.



Edward J. Freel, Secretary of State

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991560439

AUTHENTICATION: (

0164298

DATE: 12-27-99

May 28 1998 1:002Y EOGAN & EARTSON DOZ

STATE OF DEDAMARE SECRETARY OF STATE DIVISION OF CORPORATIONS FILED 09:00 AM 05/28/1998 981205217 - 2901898

## CERTIFICATE OF INCORPORATION

OF

## KNOLOGY OF TENNESSEE, INC.

#### Article 1. NAME

The name of this corporation is KNOLOGY of Tennessee, Inc. (the "Corporation").

## Article 2. REGISTERED OFFICE AND AGENT

The registered office of the Corporation shall be located at 1013 Centre Road, Wilmington, Delaware 19805 in the County of New Castle. The registered agent of the Corporation at such address shall be Corporation Service Company.

#### Article 3. PURPOSE AND POWERS

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law"). The Corporation shall have all power necessary or convenient to the conduct, promotion or attainment of such acts and activities.

#### Article 4. CAPITAL STOCK

#### 4.1. Authorized Shares

The total number of shares of all classes of stock that the Corporation shall have the authority to issue is one thousand (1,000) shares. All such shares shall be Common Stock, all of one class, having a par value of \$.01 per share ("Common Stock").

#### 4.2. Common Stock

#### 4.2.1. Relative Rights

The Common Stock shall be subject to all of the rights, privileges, preferences and priorities of any preferred stock as set forth in the certificate of designations filed to establish the respective series of such preferred stock. Each share

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of Common Stock shall have the same relative rights as and be identical in all respects to all the other shares of Common Stock.

### 4.2.2. Dividends

Whenever there shall have been paid, or declared and set aside for payment, to the holders of shares of any class of stock having preference over the Common Stock as to the payment of dividends, the full amount of dividends and of sinking fund or retirement payments, if any, to which such holders are respectively entitled in preference to the Common Stock, then dividends may be paid on the Common Stock and on any class or series of stock entitled to participate therewith as to dividends, out of any assets legally available for the payment of dividends thereon, but only when and as declared by the Board of Directors of the Corporation.

## 4.2.3. Dissolution, Liquidation, Winding Up

In the event of any dissolution, liquidation, or winding up of the Corporation, whether voluntary or involuntary, the holders of the Common Stock, and holders of any class or series of stock entitled to participate therewith, in whole or in part, as to the distribution of assets in such event, shall become entitled to participate in the distribution of any assets of the Corporation remaining after the Corporation shall have paid, or provided for payment of, all debts and liabilities of the Corporation and after the Corporation shall have paid, or set aside for payment, to the holders of any class of stock having preference over the Common Stock in the event of dissolution, liquidation or winding up the full preferential amounts (if any) to which they are entitled.

## 4.2.4. Voting Rights

Each holder of shares of Common Stock shall be entitled to attend all special and annual meetings of the stockholders of the Corporation and, share for share and without regard to class, together with the holders of all other classes of stock entitled to attend such meetings and to vote (except any class or series of stock having special voting rights), to cast one vote for each outstanding share of Common Stock so held upon any matter or thing (including, without limitation, the election of one or more directors) properly considered and acted upon by the stockholders.

#### 4.3. Preferred Stock

The Board of Directors is authorized, subject to limitations prescribed by the Delaware General Corporation Law and the provisions of this Certificate of Incorporation, to provide, by resolution or resolutions from time to time and by filing a certificate of designations pursuant to the Delaware General Corporation Law, for the issuance of the shares of Preferred Stock in series, to establish from time to time the

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number of shares to be included in each such series, to fix the powers, designations, preferences and relative, participating, optional or other special rights of the shares of each such series and to fix the qualifications, limitations or restrictions thereof.

## Article 5. INCORPORATOR

The name and mailing address of the incorporator (the "Incorporator") is \_\_\_\_\_\_\_, Corporation Service Company, 1013 Centre Road, Wilmington, Delaware 19805. The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation.

## Article 6. BOARD OF DIRECTORS

## 6.1. Initial Directors; Number; Election

The following persons, having the following mailing addresses, shall serve as the directors of the Corporation until the first annual meeting of the stockholders of the Corporation or until their successors are elected and qualified:

#### NAME

### MAILING ADDRESS

William E. Morrow	1241 O.G. Skinner Drive West Point, Georgia 31833
William H. Scott, III	1241 O.G. Skinner Drive West Point, Georgia 31833

Campbell B. Lanier, III 1241 O.G. Skinner Drive West Point, Georgia 31833

The number of directors of the Corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, the bylaws of the Corporation. Unless and except to the extent that the bylaws of the Corporation shall otherwise require, the election of directors of the Corporation need not be by written ballot. Except as otherwise provided in this Certificate of Incorporation, each director of the Corporation shall be entitled to one vote per director on all matters voted or acted upon by the Board of Directors.

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## 6.2. Management of Business and Affairs of the Corporation

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

## 6.3. Limitation of Liability

No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) under Section 174 of the Delaware General Corporation Law; or (d) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article 6.8 shall be prospective only and shall not adversely affect any right or protection of, or any limitation of the liability of, a director of the Corporation existing at, or arising out of facts or incidents occurring prior to, the effective date of such repeal or modification.

#### Article 7. COMPROMISE OR ARRANGEMENTS

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

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#### AMENDMENT OF BYLAWS Article 8.

In furtherance and not in limitation of the powers conferred by the Delaware General Corporation Law, the Board of Directors of the Corporation is expressly authorized and empowered to adopt, amend and repeal the bylaws of the Corporation.

### RESERVATION OF RIGHT TO AMEND CERTIFICATE OF Article 9. INCORPORATION

The Corporation reserves the right at any time, and from time to time, to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences, and privileges of any nature conferred upon stockholders, directors, or any other persons by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article 9.

IN WITNESS WHEREOF, the undersigned, being the Incorporator hereinabove named, for the purpose of forming a corporation pursuant to the Delaware General Corporation Law, hereby certifies that the facts hereinabove stated are truly set forth, and accordingly executes this Certificate of Incorporation this 29th day of May, 1998.

Incorporator

Kerry Spittel Kerry Spittel

## **EXHIBIT 2**

## CERTIFICATE OF AUTHORITY TO

## TRANSACT BUSINESS IN TENNESSEE

Secretary of State **Corporations Section** James K. Polk Building, Suite 1800 Nashville, Tennessee 37243-0306

ISSUANCE DATE: 01/18/2000 REQUEST NUMBER: 00018105 TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 07/17/1998 STATUS: ACTIVE CORPORATE EXPIRATION DATE: PERPETUAL CONTROL NUMBER: 0354330 JURISDICTION: DELAWARE

TO: BOULT CUMMINGS CONNERS & BERRY D. LYNN FINLEY PO BOX 198062 NASHVILLE, TN 37219

REQUESTED BY:
BOULT CUMMINGS CONNERS & BERRY
D. LYNN FINLEY
PO BOX 198062
NASHVILLE, TN 37219

#### CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT "KNOLOGY OF TENNESSEE, INC",

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID;
THAT THE MOST RECENT CORPORATION ANNUAL REPORT REQUIRED HAS BEEN FILED WITH THIS OFFICE; AND
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 01/18/00

FROM: BOULT, CUMMINGS, CONNERS & BERRY P. O. BOX 198062

\$0.00

TOTAL PAYMENT RECEIVED:

RECEIVED:

\$20.00

RECEIPT NUMBER: 00002596138 ACCOUNT NUMBER: 00000413

NASHVILLE, TN 37219-0000



RILEY C. DARNELL SECRETARY OF STATE

Keley C Darnell

SS-4458

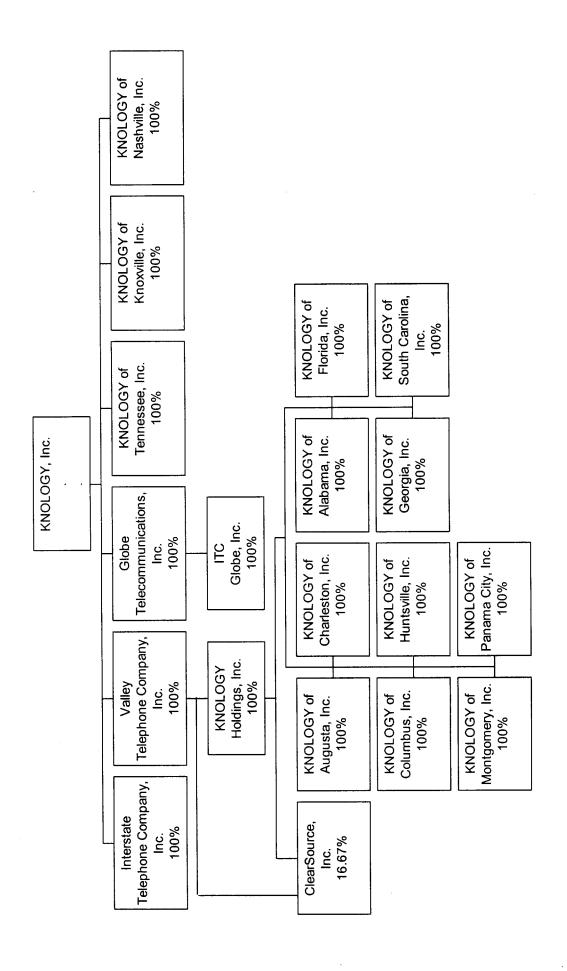
## EXHIBIT 3

# APPLICANT'S AFFILIATED COMPANIES AND THEIR EXISTING SERVICE AREAS

<u>Affiliate</u>	Certificates Held	Service Areas
KNOLOGY of Alabama, Inc.	Local Exchange, Toll Reseller	Montgomery, Alabama Huntsville, Alabama
KNOLOGY of Georgia, Inc.	Local Exchange, Toll Reseller	Columbus, Georgia Augusta, Georgia
KNOLOGY of South Carolina, Inc.	Local Exchange, Toll Reseller	Charleston, South Carolina
KNOLOGY of Florida, Inc.	Local Exchange, Toll Reseller	Panama City, Florida
Interstate Telephone Company	Local Exchange	West Point, Georgia Lanett, Alabama
Valley Telephone Company	Local Exchange	Valley, Alabama
Globe Telecommunications, Inc.	Local Exchange, Toll Reseller	Newnan, Georgia

## EXHIBIT 4

# CORPORATE STRUCTURE CHART DESCRIPTION OF RECENT MERGERS/ACQUISTIONS



### KNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 1996, 1997, and 1998

## 1. ORGANIZATION, NATURE OF BUSINESS, AND BASIS OF PRESENTATION

## Organization

KNOLOGY, Inc. (the "Company"), a wholly owned subsidiary of ITC Holding Company, Inc. ("ITC Holding") was incorporated under the laws of the State of Delaware in September 1998. The purpose of incorporating the Company was to enable ITC Holding to complete a reorganization of certain of its wholly owned and majority owned subsidiaries on November 23, 1999 (the "Reorganization"), as follows:

- a. ITC Holding contributed all of the outstanding capital stock of Interstate Telephone, Inc.; Valley Telephone, Inc.; Globe Telecom, Inc.; and ITC Globe, Inc. to the Company (collectively, "Telephone Operations Group").
- b. ITC Holding contributed its 85% interest in KNOLOGY Holdings, Inc. ("KNOLOGY Holdings") to the Company.
- c. ITC Holding contributed its 6% interest in ClearSource, Inc. ("Clear-Source"); \$5.7 million in cash to purchase additional ClearSource shares, and subscription rights to purchase ClearSource shares to the Company.
- d. Other minority shareholders exchanged the remaining 15% of KNOLOGY Holdings for shares of stock of the Company.

As a result of the Reorganization, the Telephone Operations Group and KNOLOGY Holdings and subsidiaries are now wholly owned subsidiaries of the Company. Following the Reorganization, ITC Holding holds a 90% interest in the Company. ITC Holding will not own any capital stock of the Company following the proposed distribution of the Company's shares to ITC Holding's shareholders (Note 11).

The Reorganization has been accounted for in a manner similar to a pooling of interest for the Telephone Operations Group. KNOLOGY Holdings and subsidiaries have been treated as an equity investment in subsidiary in 1996 and 1997 in relation to the Company's 24% and 29% ownership interest, respectively. KNOLOGY Holdings and subsidiaries have been consolidated with the Company in 1998 in relation to the 85% controlling interest obtained in July 1998 (Note 9) which was recorded at ITC-Holding's historical cost. For the period from August 1998 to December 1998, the 15% of KNOLOGY Holdings that the Company did not own has been reflected as minority interest and the pro-rata losses attributed to the minority holders to the extent that their investment was greater than zero (which it was for the period discussed here) in accordance with Financial Accounting Standards Board Current Text on Consolidation and Statement of Financial Accounting Standards No. 94. Because a controlling interest in KNOLOGY Holdings was acquired in August 1998, the financial statements for the year ended December 31, 1998 include the accounts of KNOLOGY Holdings for the

## KNOLOGY, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

entire year and the minority interest in losses includes the 58% share of KNOLOGY Holdings' losses for the period January 1998 to July 1998.

The exchange of the remaining 15% of KNOLOGY Holdings for shares of stock of the Company was accounted for as an acquisition of a minority interest of a subsidiary. The stock issued in the exchange was valued at \$22.4 million and was recorded as goodwill since the book value of net assets acquired (which approximated fair value) was less than zero. The Company had recorded 100% of KNOLOGY Holdings' losses since KNOLOGY Holdings' equity was less than zero.

## KNOLOGY, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## 9. BUSINESS ACQUISITIONS

## **KNOLOGY Holdings Acquisitions**

In January 1998, the Company acquired an additional 6,747 shares of KNOLOGY Holdings preferred stock, representing an approximate 13% ownership interest in KNOLOGY Holdings, in exchange for cash of \$10,177,234. The acquisition of the additional interest was accounted for as a step acquisition. The fair value of net assets acquired totaled \$6,775,879, resulting in goodwill of \$3,401,355.

Effective July 1998, the Company acquired an additional 42,565 shares, representing approximately 43% of KNOLOGY Holdings' outstanding stock.

The Company recorded its acquisition of this additional ownership interest under the purchase method of accounting as a step acquisition. Accordingly, the Company recorded the pro rata share of net assets acquired at fair value. The Company determined that the book value of the pro rata share of assets and trade liabilities acquired approximated fair value. The fair value of KNOLOGY Holdings' senior discount notes (Note 4) was determined to be less than book value at the date of acquisition based on quoted market prices. As a result, a debt discount of approximately \$8,542,000 was recorded to adjust the book value of the pro rata share of senior notes acquired to fair value (Note 4).

The total value paid by the Company was \$36,687,424, including cash of \$2,155,100, common and preferred stock valued at \$34,532,324. The fair value of net assets acquired totaled \$22,678,372, resulting in goodwill of \$14,009,052. Prior to the acquisition, the Company owned more stock than any other single KNOLOGY Holdings stockholder, owning approximately 42% of the outstanding stock. As a result of the acquisition, the Company owns approximately 85% of the outstanding stock of KNOLOGY Holdings at December 31, 1998.

The goodwill and debt discount created upon the acquisition of KNOLOGY Holdings is amortized over 10 years on a straight line basis and the term of the senior notes on the effective interest method, respectively.

## Cable Alabama Acquisition

On October 30, 1998, KNOLOGY Holdings acquired substantially all of the assets of Cable Alabama Corporation ("Cable Alabama") for approximately \$60,733,000 in cash and also purchased for \$5,000,000 in cash certain real property located in Huntsville, Alabama. Cable Alabama owned and operated a cable television system serving the Huntsville, Alabama area. KNOLOGY Holdings plans to upgrade the existing Cable Alabama plant is being upgraded to provide local and long-distance telephone service and high-speed Internet access services. The acquisition has been accounted for under the purchase method of accounting.

## KNOLOGY, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## TTE, Inc. Acquisition

On June 1, 1998, KNOLOGY Holdings acquired TTE, Inc., a non-facilities based reseller of local, long distance and operator services to small and medium-sized business customers throughout South Carolina, for a purchase price of \$1.3 million. The acquisition has been accounted for under the purchase method of accounting.

# EXHIBIT 5 MANAGERIAL QUALIFICATIONS

#### DIRECTORS AND EXECUTIVE OFFICERS

Rodger L. Johnson has been President, Chief Executive Officer and a director of KNOLOGY, Inc. since October 1999. He has served as the President of KNOLOGY Holdings since May 1999 and as its Chief Executive Officer and a director since June 1999. Prior to joining KNOLOGY Holdings, Mr. Johnson had served as President and Chief Executive Officer, as well as a Director, of Communications Central Inc., a provider of coin-operated and inmate telephones, since November 1995. Prior to joining Communications Central, Mr. Johnson served as the President and Chief Executive Officer of JKC Holdings, Inc., a consulting company providing advice to the information processing industry. In that capacity, Mr. Johnson also served as the Chief Operating Officer of Infomed Systems, Inc., a publicly-held medical software manufacturer. Before founding JKC Holdings, Inc., Mr. Johnson served for approximately eight years as the President and Chief Operating Officer and as the President and Chief Executive Officer of Brock Control Systems, Inc., a publicly-held sales and marketing software provider.

Felix L. Boccucci, Jr. has served as Vice President - Business Development of KNOLOGY, Inc. and its predecessor company (KNOLOGY Holdings, Inc.) since August 1997. He served as KNOLOGY's Chief Financial Officer, Treasurer and Secretary from November 1995 through August 1997. From October 1994 until December 1995, Mr. Boccucci served as Vice President Finance Broadband of ITC Holding. Prior to such time, Mr.Boccucci worked for GTE Corporation, a telecommunications company, which merged with Contel Corporation in March 1991. From May 1993 to October 1994, he served as a Senior Financial Analyst for GTE. From 1991 to 1993, Mr. Boccucci served as Financial Director for GTE's Central Area Telephone Operations. From 1987 to 1991, he was the Assistant Vice President controller in charge of Contel's Eastern Region Telephone Operations comprising 13 companies in twelve states.

Anthony J. Palermo, Jr. has served as KNOLOGY's Vice President of Operations since July 1999. Prior to joining KNOLOGY, Mr. Palermo served as a consultant to Nokia and Optima Technologies from November 1998 through July 1999. From November 1995 to November 1998, Mr. Palermo was employed at Communications Central, Inc., where he served as Vice President of Sales, Marketing, and Operations. Prior to Communications Central, Inc. he spent six years at Brock Control Systems as Vice President of Operations and Chief Operating Officer. Mr. Palermo has also spent eleven years in the communications industry with AT&T Long Lines and RCA-Cylix.

**Robert Mills** has served as Chief Financial Officer of KNOLOGY, Inc. since November of 1999. Prior to that Mr. Mills was with ITC Holdings, where he focused on new business development and investing opportunities. Prior to joining ITC Holdings, Mr. Mills served as Vice President and Treasurer at Powertel, a sister company of KNOLOGY that provides wireless personal communication services (PCS) nationwide. Mr. Mills is a Certified Public Accountant and worked at Arthur Anderson and Co. earlier in his career.

<u>Chad S. Wachter</u> has served as KNOLOGY's Vice President, General Counsel and Secretary since October 1999. He joined KNOLOGY Holdings as its General Counsel and Secretary in August 1998. From April 1997 to August 1998, Mr. Wachter served as Assistant General Counsel of Powertel, Inc., an affiliate of ITC that operates cellular and PCS businesses. From May 1990 until April 1997, Mr. Wachter was an associate and then a partner with Capell, Howard, Knabe & Cobbs, P.A. in Montgomery, Alabama.

Marcus R. Luke, Ph.D. has served as KNOLOGY's Chief Technology Officer since October 1999. He has served as the Chief Technology Officer of KNOLOGY Holdings since August 1997. Prior to this he served as the Vice President of Network Construction of KNOLOGY Holdings from November 1995 until August 1997, and Director of Engineering of Cybernet Holding, L.L.C., from May 1995 until November 1995. Prior to joining KNOLOGY Holdings, Dr. Luke served as Southeast Division Construction Manager for TCI from July 1993 to May 1995. From July 1987 to June 1993, he served as Area Technical Manager for TCI's southeast area. Dr. Luke worked for Storer Communications Inc. from 1985 to 1987 as Vice President of Engineering. Prior to 1985, he spent 12 years in various engineering and management positions with Storer Communications Inc.

James T. Markle joined KNOLOGY in October 1999 as Vice President of Network Operations. He has served as Vice President of Network Operations for KNOLOGY Holdings since March 1999. Prior to joining KNOLOGY Holdings, Mr. Markle was employed by MindSpring Enterprises, Inc. where he served as the Executive Vice President of Network Operations from March 1998 and as Vice President of Network Operations from April 1995. Prior to joining MindSpring, from April 1994 until April 1995, Mr. Markle served as the Director of Technical Support for Concert Communications Co., a telecommunications company. From August 1990 to April 1994, Mr. Markle served as Senior Manager of Network Operations for MCI Communications, a telecommunications company. Mr. Markle served in various operation positions at SouthernNet/Telecom\*USA, including Director of Operations for a multistate region, from July 1985 until July 1990.

Bret T. McCants has served as Vice President of Network Services for KNOLOGY, Inc. since October 1999. He has served as the Vice President of Network Services of KNOLOGY Holdings since April 1997. Prior to joining KNOLOGY Holdings, Mr. McCants was a co-founder of CSW Communications. From January 1996 to April 1997 he served as CSW Communications, Director of Operations, and from 1994 to 1996, he participated in the development and managed the deployment of voice, data and interactive energy management equipment to homes in Laredo, Texas. Prior to joining CSW Communications, Mr. McCants served in various capacities with Central Power and Light Company including as Corporate Manager of Commercial and Small Industrial Marketing from 1992 to 1994, and as Business Manager from 1990 to 1992. From 1982 to 1990, Mr. McCants held several positions in the Sales, Marketing and Engineering departments at Central Power and Light Company.

Peggy B. Warner joined KNOLOGY, Inc. as Vice President of Marketing and Carrier Sales in October 1999. She has been the Vice President of Marketing and Carrier Sales of KNOLOGY Holdings since January 1998. Prior to joining KNOLOGY Holdings, from February 1995 to December 1997, Ms. Warner held various positions at SCANA Communications, Inc., including Manager Sales, Marketing and Customer Service and General Manager. While at SCANA Communications, Inc., Ms. Warner was responsible for the company's fiber optic carriers' carrier and 800 MHz trunked radio lines of business. Prior to that time, from December 1993 to January 1994, she was an Executive National Accounts Manager with MCI Telecommunications Corporation where she developed and managed a nationwide Government Systems regional sales organization. Ms. Warner also held various other sales and marketing management positions with MCI between May1986 and January 1995. She was an Account Manager with AT&T Information Systems between January 1983 and April 1986, and she held various sales positions with BellSouth prior to 1983.

Campbell B. Lanier, III has been a director and Chairman of the Board for KNOLOGY, Inc. since its inception. He has served as a director of KNOLOGY Holdings since November 1995. Mr. Lanier serves as Chairman of the Board and Chief Executive Officer of ITC Holding and has served as a director of ITC Holding since the company's inception in 1989. In addition, Mr. Lanier is an officer and director of several ITC Holding subsidiaries. Mr. Lanier also is Chairman of the Board and a director of ITC DeltaCom, Inc., which provides wholesale and retail telecommunications services; Powertel, Inc., which provides wireless communications services; MindSpring Enterprises, Inc., an Internet services provider; and Vista Eyecare, Inc., a full service optical retailer. Mr. Lanier has served as a Managing Director of South Atlantic Private Equity Fund, IV, Limited Partnership since July 1997.

<u>Richard Bodman</u> has served as a director of KNOLOGY, Inc. and its predecessor company since June 1996. Mr. Bodman is currently the Managing General Partner of AT&T Ventures. From August 1990 to May 1996, Mr. Bodman served as Senior Vice President of Corporate Strategy and Development for AT&T. Mr. Bodman also is currently a director of the following public companies: Internet Security Systems, Inc., Tyco International Inc. and Young and Rubicam Inc.

Alan A. Burgess has served as a director of KNOLOGY, Inc. and its predecessor company since January 1999. From 1967 until his retirement in 1997, Mr. Burgess was a partner with Andersen Consulting. Over his thirty-year career he held a number of positions as Managing Partner, including Managing Partner of Regulated Industries from 1974 to 1989. In 1989 he assumed the role of Managing Partner of the Communications Industry Group. In addition, he served on Andersen Consulting's Global Management council and was a member of the Partner Income Committee. Mr. Burgess is also the Chief Financial Officer of Seventh Wave Technologies, Inc.

**Donald W. Burton** has served as a director of KNOLOGY, Inc. and its predecessor company since January 1996. Since January 1981, he has served as Managing General Partner of South Atlantic Venture Fund I, II and III, Limited Partnerships and Chairman of South Atlantic Private Equity Fund IV, Limited Partnership. Mr. Burton has been the general partner of The Burton Partnership, Limited Partnership since October 1979. Since January 1981, he has served as President of South Atlantic Capital Corporation. Mr. Burton also serves on the board of directors of several ITC companies, including ITC Holding, ITC DeltaCom and Powertel. He is a director of the Heritage Group of Mutual Funds and several private companies. Mr. Burton also serves as a director of the National Venture Capital Association.

L. Charles Hilton, Jr. has served as a director of KNOLOGY, Inc. and its predecessor company since December 1997. Mr. Hilton was the founder and sole stockholder of Beach Cable, Inc., and served as its Chief Executive Officer from 1991 to December 1997. Since 1958, Mr. Hilton has served as Chairman and Chief Executive Officer of Gulf Asphalt Corporation, a general construction firm. Mr. Hilton has been a partner in the law firm of Hilton, Hilton, Kolk & Roesch since 1984, and currently serves as Chief Executive Officer of Hilton, Inc., a family corporation which owns and operates various commercial buildings in Bay County, Florida. He also is a member of the board of directors of several private companies.

William H. Scott, III has served as a director of KNOLOGY, Inc. and its predecessor company since November 1995. He has served as President of ITC Holding since December 1991 and has been a director of ITC since May 1989. He also is an officer and director of several other ITC Holding subsidiaries. In addition, Mr. Scott is a director of Powertel, ITC DeltaCom, MindSpring, Innotrac Corporation, which provides customized technology-based marketing support services, HeadHunter.NET, Inc., a company providing online recruiting services to employers, recruiters, and job-seekers, and nFront, Inc., a provider of full-service Internet banking solutions for community banks.

**Donald W. Weber** has served as a director of KNOLOGY, Inc. and its predecessor company since August 1998. Since 1997, Mr. Weber has been a consultant and private investor. Since 1995, Mr. Weber served as President and Chief Executive Officer of ViewStar Entertainment Services, Inc., a digital satellite services company. From 1987 to 1991, Mr. Weber held various executive positions, including President and Chief Executive Officer, and served as a director of Contel Corporation, a telecommunications company. Currently, Mr. Weber serves as director of Powertel, Inc., Pegasus Communications Corporation, a media and communications company, HeadHunter.net, an online job recruiting company, and HIE, Inc., a health care software provider.

## **EXHIBIT 6**

## AUDITED FINANCIAL STATEMENTS

## PROPRIETARY AND CONFIDENTIAL INFORMATION

## EXHIBIT 7

## PROJECTED FINANCIAL STATEMENTS THREE YEAR CAPITAL BUDGET

PROPRIETARY AND CONFIDENTIAL INFORMATION

# EXHIBIT 8 TECHNICAL CAPABILITY

#### The Network

KNOLOGY's Interactive Broadband Networks are currently high-capacity, two-way interactive, hybrid fiber-coaxial networks with signals ranging from 750 MHz to 860 MHz (designed to allow upgrades to 1,000 MHz). Further, KNOLOGY is currently evaluating the construction of fiber to the curb. Each network includes hub sites with a minimum of four fiber pairs running from each hub to nodes, each node serves an average of 500 homes. This design incorporates redundant fibers running between hubs for restoration and security purposes, forming a SONET ring. By comparison, most traditional cable television systems are 450 MHz to 550 MHz and do not have significant redundancy protection. The Company provides power to its system from the hub sites each of which is equipped with a generator and uninterruptible power source ("UPS") to allow service to continue in case of power outage. For each of the Broadband Services to be offered, the Company has added electronic equipment at various hub sites and cards in various electronic housings along the network.

Local telephone service is offered over KNOLOGY's Interactive Broadband Networks in much the same way local phone companies provide service, since the network structure includes a return path suitable for voice transmission. To provide local telephone service, the Company provides switching services and installs a network interface box outside the customer's home, and may, depending on the location of telephone and cable boxes or "jack" inside the home, add inside wiring as well. The Company can offer multiple lines of telephone service using its Interactive Broadband Networks. The Company's networks are interconnected with those of other local phone companies through a nine-state interconnection agreement with BellSouth.

#### **Network Operations and Maintenance**

Technicians in each of our service areas schedule and perform installations and repairs and monitor performance of our interactive broadband networks. KNOLOGY also operates a network operations center (NOC) in West Point, Georgia which operates 24 hours a day, seven days a week. The NOC monitors the networks in each of our service areas all the way down to the network interface device on the customer's home.

#### Switching

Currently, KNOLOGY's telephone subsidiaries switch voice traffic using a single host DMS 500. The switching platform allows the KNOLOGY subsidiaries to provide enhanced custom calling services including call waiting, call forwarding, three-way calling and numerous others. KNOLOGY of Tennessee does not initially plan to have a switch in Tennessee.

# Geographic Area to be Served and Network Deployment

Pending approval by the Tennessee Regulatory Authority, KNOLOGY of Tennessee initially plans to provide its services in Knoxville and Nashville. KNOLOGY typically will break a service area in to segments or hubs which serve approximately 20,000 customers. KNOLOGY begins constructing its network in one hub or segment. Once the first hub is almost complete, work will begin on the next adjoining hub. This process will continue until the market is built out completely. Based on existing markets, construction of a new network in a new market will take approximately three years to five years.

# EXHIBIT 9

# SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. § 65-5-212, as amended, KNOLOGY of Tennessee, Inc. (KNOLOGY) submits this small and minority-owned Telecommunications business participation plan along with its Application for Certificate of Public Convenience and Necessity to provide competing local exchange and intrastate interexchange services in the state of Tennessee. KNOLOGY also acknowledges its obligation to contribute its share to the fund established by the Department of Economic and Community Development in accordance with Section 17 of Chapter 408 of the Public Acts of 1995.

#### **PURPOSE**

The purpose of T.C.A. Section 65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. KNOLOGY is committed to the goals of Section 65-5-212. KNOLOGY will endeavor to provide opportunities for small and minority-owned businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, KNOLOGY will work with the Department of Economic and Community Development to identify and inform small and minority-owned businesses that are qualified and capable of providing goods and services to KNOLOGY of such opportunities. KNOLOGY representatives have proactively made contact with the Department of Economic and Community Development to obtain a list of qualified small and minority-owned businesses in Tennessee.

**DEFINITIONS** 

As defined in T.C.A. Section 65-5-212:

Minority-Owned Business. Minority-Owned Business means a business which is solely

owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is

owned, by an individual who personally manages and controls the daily operations of

such business, and who is impeded from normal entry into the economic mainstream

because of race, religion, sex or national origin and such business has annual gross

receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business means a business with annual gross receipts of less than

four million dollars (\$4,000,000).

**ADMINISTRATION** 

KNOLOGY's Plan will be overseen and administered by the individual named below,

hereinafter referred to as the Administrator, who will be responsible for carrying out and

promoting KNOLOGY's full efforts to provide equal opportunities for small and

minority-owned businesses. The Administrator of the Plan will be:

Bruce Schoonover, Jr.

KNOLOGY Holdings, Inc.

1241 O.G. Skinner Drive

West Point, Georgia 31833 Phone: (706) 645-3966

Fax: (706) 645-0148

Email: bschoono@knology.com

# The Administrator's responsibilities will include:

- maintaining an updated Plan in full compliance with T.C.A. § 65-5-212 and the rules and orders of the Tennessee Regulatory Authority
- 2. establishing and developing policies and procedures necessary for the successful implementation of the Plan
- 3. preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates
- 4. serving as the primary liaison to and cooperate with the Tennessee Regulatory
  Authority, other agencies of the state of Tennessee, and small and minorityowned businesses to locate and used qualified small and minority-owned
  businesses as defined in Section 65-5-212
- 5. searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts
- 6. providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority
- 7. establishing a record-keeping system to track qualified small and minorityowned businesses and efforts to use such businesses
- providing information and educational activities to persons with KNOLOGY
  and training such persons to seek out, encourage, and promote the use of small
  and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources

including, but not limited to:

Chambers of Commerce

The Tennessee Department of Economic and Community Development

Local and National associations and Minority Supplier Development Councils

**COMPLIANCE REPORTS** 

KNOLOGY will submit reports, as may be required, for use in connection with

subcontracting plans by the Tennessee Regulatory Authority and/or the State of

Tennessee. KNOLOGY will cooperate fully with all reasonable and appropriate surveys

or studies required by the contracting agency in determining program compliance.

RECORD MAINTENANCE

KNOLOGY will maintain records relating to KNOLOGY's small and minority-owned

Telecommunications Business Participation Plan for the purpose of evidencing the

implementation of this policy, for the use by KNOLOGY in evaluating the effectiveness

of the Plan and in obtaining the goals the Plan, and for use in updating the Plan on an

annual basis with the Tennessee Regulatory Authority.

KNOLOGY of Tennessee, Inc.

By:

e Schoonover,

Director – Business Development/Regulatory Affairs

Dated: January 21, 2000

# EXHIBIT 10

# INTRALATA TOLL DIALING PARITY PLAN

# KNOLOGY of Tennessee, Inc. IntraLATA Toll Dialing Parity Plan

# 1. Objective/Purpose

In compliance with the Federal Communications Commission ("FCC") rules delineated in 47 C.F.R. Sections 51.207 through 51.215, KNOLOGY of Tennessee ("The Company") files its plan for implementing intraLATA toll dialing parity ("The Plan") in areas and LATAs of the State in which the Company provides local exchange service.

The intent of the Plan is to permit customers to select and subsequently to route intraLATA toll calls automatically without the use of access codes, to the interexchange carriers ("IXC") that have established themselves as Access Customers of the Company ("Participating Carrier").

## 2. Implementation Schedule

The Company intends to offer dialing parity for intraLATA calls upon commencement of service in Tennessee.

#### 3. Carrier Selection Procedures

The Company will implement the full 2-PIC carrier selection methodology. With the full 2-PIC methodology, customers will be able to subscribe to one Participating Carrier for their interLATA toll calls and to subscribe to the same or a different Participating Carrier for their IntraLATA toll calls.

Company employees who communicate with the public, accept service orders and serve in customer service capacities will be trained to explain the availability of 2-PIC equal access, and to assist customer in making an initial PIC selection or in changing a PIC selection.

#### 4. Carrier Notification

An IXC that desires to become an Access Customer and Participating Carrier shall notify the Company by requesting and completing the Carrier Participation Form. The request for this Form may be made by telephone or email to the designated Company carrier relations contact. Once the Carrier Participation Form has been returned to the Company and an Access Service Request has been processed, that carrier will be added to the alphabetical list of Participating Carriers maintained in each business office.

#### 5. New Customers

Customers contacting the Company requesting new local exchange service will be informed of the opportunity to select both an intraLATA and interLATA PIC at no charge. If requested by the customer, the Company will provide an alphabetical list of Participating Carriers. New customers who do not make an affirmative selection of an intraLATA toll service provider will be identified in the Company records as a "no-PIC" and will not be defaulted to a toll service provider. New customers identified in the Company records as "no-PIC" will be required to dial the access code 101XXXX where XXXX represents the identification code of the carrier they desire to use. The use of the access code will be required for placement of each intraLATA toll call until they make an affirmative selection.

## 6. Existing Customers

On the date which intraLATA subscription service is available, the Company's existing retail customers may subscribe to the intraLATA toll service of any Participating Carrier. An existing customer who does not make a selection of an intraLATA PIC when intraLATA subscription service becomes available will default to that customer's existing intraLATA toll service provider, at no charge.

## 7. Initial PIC Request

A customer's initial PIC request will be made at no charge for the first six (6) months after intraLATA subscription service becomes available. After the initial six (6) months, the Company will charge customers the intraLATA PIC Change Charge at tariffed rates. An initial application of "no-PIC" will, for purposes of applying the PIC Change Charge, be viewed as an affirmative PIC selection.

## 8. PIC Change Request from a Customer

A customer's request to change his/her current intraLATA PIC will be accepted and processed by the Company in accordance with FCC PIC change procedures. The customer will incur the tariffed non-recurring PIC Change Charge.

## 9. PIC Change Request from a Participating Carrier

A customer's request to change his/her current intraLATA PIC received by the Company from a Participating Carrier on behalf of said customer will be accepted and processed by the Company in accordance with current FCC PIC change procedures. The customer will incur the tariffed non-recurring PIC Change Charge.

#### 10. Cost Recovery

As stated in Section 51.215 of FCC Order 96-333, CC Docket No. 96.98, "a LEC may recover the incremental costs necessary for the implementation of toll dialing parity. The LEC must recover such costs from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC." The increment costs associated with implementing toll dialing parity by the Company include:

- 1. Training for Business Office, Marketing, Carrier Services, Customer Services and Service Center Personnel
- 2. Customer notification (bill message and bill insert)
- 3. Implementation Activity

The Company proposes to recoup the incremental cost of implementing intraLATA dialing parity over a period of twelve months beginning on the date of implementation. A cost recover per minute rate will be developed based on the identified cost divided by the total of all Participating Carrier's originating minutes of use, which will include the Company's intraLATA toll minutes. The result will be an amount to be added to the intraLATA Carrier Common Line (CCL) rate element. Carriers who enter the market after implementation will be charged in the same manner as other Participating Carriers.

# EXHIBIT 11

# INFORMATIONAL TARIFF FOR LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

## **TARIFF**

# SCHEDULE OF RATES, RULES AND REGULATIONS GOVERNING LOCAL TELECOMMUNICATION SERVICES OFFERED BY

KNOLOGY OF TENNESSEE, INC.

## **CONTENTS**

Section Title	Section Number
Table of Contents	1
Description and Area of Operations	
Definitions of Terms	
General Rules and Regulations	
Service Charges	
Local Exchange Service	6
Directory Publication and Use	7
Miscellaneous Service Arrangements	8
Charges Applicable Under Special Conditions	
Customer Provided Equipment and Facilities	
Rate Sheet	11

Issued:

# INDEX

<u>SUBJECT</u> <u>SECTION</u>	
Access to Customer Premise	
Additional Listings (See Directory Listings)	
Advance Construction (See Construction Charges)	
Aerial To Underground Construction Charges9	
Allowance for Interruption of Service	
Alterations of Lines	
Alternate Call Number Listings	
Applicability of Service Charges5	
Applicant's Recourse4	
Service Charges	
Application for Service, Cancellation of	
Application of Business Rates5	
Application of Residence Rates5	
Applications for Service4	
Areas of Operations	
Availability of Facilities	
Availability of Tariffs4	
Billing and Payment for Service4	
Business Classification	
Business Rates, Application of	
Call Forwarding	
Call Waiting	
ssued: Effective:	

# **INDEX**

<u>SUBJECT</u> <u>SEC</u>	<u>TION</u>
Cancel Call Waiting	8
Cancellation of Application for Service	4
Changes from Aerial to Underground Facilities	9
Changes in Network Equipment	10
CLASS Services (Custom Local Area Signaling)	8
Classifications of Service	4
Complaints, Customer	4
Compliance by Applicant	4
Conduit and Trenching	9
Connecting Company Lines	4
Connection of FCC Registered Equipment	10
Connection with Customer-Provided Equipment and Facilities	10
Conflict with Commission Rules	4
Construction	9
Contract Periods:	
Directory	7
Service	4
Credit:	
Establishment of	4
Re-establishment of	4
Failure to Maintain	4
Custom Local Area Signaling Services (CLASS)	8
Issued: Eff	fective:

## **INDEX**

SUBJECT	<b>SECTION</b>
Customer-Provided Communications Systems	10
Customer-Provided Terminal Equipment	10
Defacement of Premise's	4
Demarcation Point	4 & 10
Denial of Services	4
Deposits:	
Applicant Requirements for	4
Calculation of	4
Interest on	4
Record of	4
Refund of	4
Detached Access Lines	8
Direct Burial of Facilities	9
Direct Electrical Connection	10
Directories:	
Distribution	7
Errors and Omissions	7
Listings	7
Ownership	7
Directory Assistance, Local	8
Disconnect Notices	
Disconnected Telephone Numbers	4
Issued:	Effective:

# **INDEX**

<u>SUBJECT</u> <u>SECTION</u>
Disconnection of Service:
At the Customer's Request (See Suspension of Service)
By the Company - For Violation of Regulations 4
For Failure to Establish and Maintain Credit
For Nonpayment of Billing4
On Holidays and Weekends4
Without Notice4
Disputed Bills
Due Date for Bill Payment
Duplicate Listing (See Directory Listings)
Emergency Use of Service
Equipment:
Ownership of4
Protective4
Tampering with4
Establishment and Maintenance of Credit
Excess Construction Charges
Extension of Facilities (See Line Extensions)
Extra Lines of Directory Information (See Directory Listings)
Extra Listings (See Directory Listings)
Issued: Effective:

## INDEX

SUBJECT	<b>SECTION</b>
Facilities:	
Availability of	4
Change of (See Moves and Changes of Equipment)	5
Conduit on Private Property	9
Entrance on Private Property (See Access to Customer's Premise)	4
Extension of (See Line Extension Facilities)	9
Maintenance and Repair of	4
Move or Rearrangement of	4
New Construction of	9
On Public Rights-of-Way	9
Placed on Private Property	9
Provided Without a Construction Charge	9
Temporary Service	9
Unusual Installation of (See Special Construction)	9
Failure to Receive Billing	4
Foreign Exchange Directory Listings (See Directory Listings)	7
Foul Language	4
Fraudulent Use of Service	4
Fully-Protected Premise Wiring	10
Inability to Pay Bill	4
Incorrect Number Listings	4
Issued:	Effective:

Effective:

# TABLE OF CONTENTS AND GENERAL INDEX

# INDEX

<u>SUBJECT</u>	<b>SECTION</b>
Individual Case Basis Arrangements	4
Information to Customers	4
Initial Establishment of Service Charge	5
Installation Charges (See Service Charges)	4
Installation Costs, Unusual	4
Installation Standards and Requirements for New Construction	9
Installation of System and Non-System Premise Wiring	9
Installation, Maintenance and Repairs	4
Insufficient Grounds for Refusal of Service	4
Insufficient Grounds for Discontinuance of Service	4
Interconnection With Customer-Provided Equipment	10
Interest on Deposits	4
Installation Standard and Requirements	9
Joint Use of Trenching	9
Liability of the Company	4
Line Connection Charge	5
Lines, Relocations and Alterations	9
Listings, Directory	7
Local Access Service Rates	6
Local Calling Area	6
Local Directory Assistance	8
Local Exchange Service	6
Issued:	Effective
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KNOLOGY of Tennessee, Inc. 1241 O.G. Skinner Drive

West Point, Georgia 31833

# **INDEX**

<u>SUBJECT</u>	<u>SECTION</u>
Maintenance and Repairs	4
Maintenance Service Charge	5
Mileage for Extension Line Service	8
Modifications to Systems and Installations	10
Movable Premise	9
Network Interface or Demarcation Point	10
Network Protection Criteria	10
Nonpublished Directory Listings (See Directory Listings)	7
Nonpublished Telephone Number Service (See Directory Listings)	7
Non-Recurring Service Charge	5
Non-System Premise Wiring	10
Notification to the Company	10
Nuisance Calls	4
Obligation and Liability of the Company	4
Obligation to Establish Identity	4
Obscene Language	4
Obstructing Service of Others	4
Office Hours Directory Listings (See Directory Listings)	7
Omissions in the Telephone Directory (See Directory Listings)	7
Order of Precedence in Furnishing Telephone Service	4

Issued: Effective:

## **INDEX**

<u>SUBJECT</u>	<b>SECTION</b>
Ordering Charge, Primary Service	5
Orders for Service	4
Outside Move	5
Overbilling, Adjustment for	4
Overtime Charge	4
Ownership and Use of:	
Directories	7
Equipment	4
Facilities	4
Telephone Numbers	4
Pay Per Call Information Services Call Blocking	8
Payment Arrangements	4
Payment of Charges for Services and Facilities	4
Poles on Private Property	9
Precedence in Furnishing Service	4
Premise:	
Alterations	4
Defacement of	4
Movable	9
Right of Access to Customer's	4
Visit Charge	5
Wiring, Fully-Protected	10

Issued:

# INDEX

<u>SUBJECT</u>	<b>SECTION</b>
Primary Directory Listing (See Directory Listings)	7
Priority of Service	4
Private Property, Facilities Placed on	9
Private Right-of-Way	9
Promotional Programs	4
Protective Equipment	4
Public Rights-of-Way	9
Publication and Use of Telephone Directories:	
Publication and Distribution	7
Ownership and Use	7
Directory Errors and Omissions	7
Rearrangements of Existing Construction	9
Reconnection of Service (See Restoral of Service)	4
Record of Deposit	4
Recording of Two-Way Telephone Conversations	10
Reestablishment of Credit	4
Refusal of Service	4
Relocations and Alterations of Lines	9
Remote Call Forwarding	8
Repair and Maintenance	
Resale of Service	

Issued:

Effective:

# INDEX

<u>SUBJECT</u> <u>SE</u>	<u>CTION</u>
Residence Rates, Application	6
Residence Classification	4
Resolution of Disputes	4
Response to Request for Service	4 & 9
Restoration of Service	4
Restoration of Service Charge	5
Returned Check Charge	5
Right of Access to Customer's Premise	4
Right-of-Way	9
Ringback Testing	10
Sale or Transfer of the Company	4
Suspension of Service, Customer's Request	8
Service Charge Elements	5
Service Charges, Applicability of	5
Service Charge, Line Conditioning or Treatment	10
Service Charge, Failure of Acceptance Tests	10
Service Charge, Damages to Facilities	10
Service Interruptions	4

Issued:

# INDEX

SUBJECT	<b>SECTION</b>
Service Reconnection Charge (See Restoration of Service Charge)	5
Special Calling Features	8
Special Construction	9
Special Equipment and Service Arrangements	9
Specialized Equipment and Services	8
Specially Assembled Equipment and Services	9
Speed Calling - 8	8
Speed Calling - 30	8
Standards for Connection of Terminal Equipment to Network	10
Suspension of Service	4
Supersedure	4
Tampering with Equipment	4
Telecommunications Relay Service	4
Telephone Directories (See Publication and Use of Telephone Directories)	7
Telephone Numbers	4
Telephone Number Changes - Company's Rights	4
Telephone Number Change Charge	5
Temporary or Unusual Construction	9
Temporary Service Facilities	9
Temporary Suspension of Service at Customer's Request	4
Termination Agreement	4
Termination Contract	9

Issued:

# INDEX

<u>SUBJECT</u>	<b>SECTION</b>
Termination Notice	4
Termination of Service	4
Third-party Guarantor	4
Three-Way Calling	8
Toll Restriction Service	8
Transfer of Service (Supersedure)	4
Underground Facilities	9
Unlawful Use of Service	4
Unusual Installation Costs (See Special Construction)	4
Underbilling	4
Violation of Regulations, General	4
Violations of Regulations, Customer-Provided Equipment	10
Visit, Premise Charge	5
Wiring	10
Work Performed Outside Regular Hours (See Overtime)	4

**Issued:** 

#### DESCRIPTION AND AREA OF OPERATIONS

KNOLOGY of Tennessee, Inc. (Company) is a public utility providing telecommunications service in the areas certificated to the Company by the Tennessee Regulatory Authority.

Headquarters for the Company are located at:

1241 O.G. Skinner Drive West Point, Georgia 31833

Business Offices for the Company are located at:

To be determined

Company representatives may be contacted at (TO BE DETERMINED)

# **Areas of Operation**

The Company Service Area will encompass portions of the following area(s). The Company will be offering service only at locations where it chooses to construct facilities.

Exchange

**NPA-NXX** 

TO BE DETERMINED

Issued: Effective:

# INDEX

	Page
Access Line	6
Air Line Measurement	6
Ancillary Devices	
Answering Equipment	6
Applicant	
Authorized Protective Connecting Module	6
Authorized User	6
Authorized Osei	0
Building	7
Business Service	7
Call	7
Cancellation Charges	7
Central Office	
Channel	
	/
Circuit	Q
Class Of Service	Q
Communications Systems	Q
Company	0
Complex Service	0
Conduit	8
Connecting Company	
Connection	8
Connection Charge	9
Construction Charge	
Continuous Property	
Contract	
Contract Period	ģ
Cost Or Cost Basis	9
Custom Calling Services	o
	)
Custom Local Area Signaling Services (CLASS)	. 10
Customer	. 10
Customer Premise Inside Wire	. 10
Customer-Provided Terminal Equipment	. 10
Customer Trouble Report	. 10
Demarcation Point	. 10

**Issued:** 

# **INDEX**

	<u>Page</u>
Direct Burial	
Direct Connection	. 11
Direct Electrical Connection	1 I
Directory	. 11
Directory Assistance Service.	. I I 11
Directory Listing.	11
Disconnect Notice	11
Disconnection Of Service	11
Drop Wire	11
	11
E911 Service	12
Emergency Number Service	12
Entrance Facilities	12
Exchange	12
Exchange Area	12
Exchange Service	12
Facilities	12
Flat Rate Service	13
General Exchange Services	13
Harm	12
riigh Capacity Circuit (Hi Cap)	13
Household	12
Identification Number	13
individual Line Service	13
Initial Nonrecurring Charge	13
Initial Service Period	14
installation Charge	1 /
Hierexchange Private Line	11
nterface	1 /
meriace Equipment	14
nterLATA	1.4
nralATA	11
ntraexchange Channel Service	14

Issued:

## INDEX

	<u>Page</u>
Intraexchange Service	15
Jack	15
Key Equipment	15
Key Telephone Set	15
Key Telephone System	15
Line	
Local Access And Transport Area (LATA)	
Local Calling Area	15
Local Channel	15
Local Exchange Service	16
Local Message	
Local Message Charge	16
Local Service	
Local Service Area (Local Calling Area)	16
Local Service Charge	16
Long Distance Message Telecommunications Service	16
Maintenance Service Charge	
M	17
Message	17
Mileage	1 /
Minimum Contract Period	
Network Control Signaling	1 /
Nonpublished Telephone Number	
Nonrecurring Charge	17
Off Premise Extension (OPX)	
One Party Service	17
Permanent Disconnect	17
Person	18
Premise	
Premise Wiring	
Preassigned Number	
Prewiring	1ð
Primary Service	18

Issued: Effective:

## INDEX

	<u>Page</u>
Primary Termination	19
Private Branch Exchange (PBX)	19
Private Branch Exchange Trunks	19
Private Line	19
Private Line Service	
Protective Connecting Arrangement	
1 loteeti ve collitering / Mimigenion	
Public Thoroughfare	20
Published Telephone Number	20
Rate Center	20
Reference Listing	20
Registered Protective Circuitry	
Registered Terminal Equipment	20
Residential Service	20
Rotary Hunting Service	
Service Charge	
Service Drop	21
Serving Central Office	21
Signal Conditioning Equipment	21
Single Channel (Half Duplex)	21
Specialized Customer Premise Equipment	21
Station Equipment	21
Supersedure Of Service	
Supplemental Contract	
Suspension Of Service	22
Tariff	22
Telecommunications Services	22
Telephone Company	22
Telephone Number	22
Telephone Solicitation	22
Temporary Disconnection	22
Temporary Service	
Termination Agreement.	

**Issued:** 

# **INDEX**

	<u>Page</u>
Termination Charge	23
Termination Of Service	23
Tie Line	23
Toll Message	23
Toll Rate	23
Toll Service	
Trunk Line	
Underground Service Connection	
Voice Grade Facility Wide Area Telecommunications Service	24
Wide Area Telecommunications Service	24
Wire Center	24

**Issued:** 

#### **ACCESS LINE**

A central office circuit or channel which provides access to the telephone network for local and long distance telephone services.

#### AIR LINE MEASUREMENT

The shortest distance between two points. A measurement for computation of mileage charges between termination points.

#### **ANCILLARY DEVICES**

All terminal equipment except telephone instruments, PBX-PABX systems, key systems and data services.

#### ANSWERING EQUIPMENT

Equipment that will automatically answer incoming calls and make an announcement. It may also be equipped to record messages.

#### APPLICANT

Any person, partnership, corporation, or any combination thereof requesting service or action from the Company.

#### AUTHORIZED PROTECTIVE CONNECTING MODULE

A protective unit approved by the Company which is manufactured in accordance with the design set forth in Part 68 of the Federal Communications Commission's Rules and Regulations.

#### AUTHORIZED USER

A person, firm or corporation (other than the Customer) who has been authorized by the Company to communicate over a private line or channel according to the terms of the Tariff and (1) on whose premise a station of the private line service is located or (2) who receives from or sends to the Customer over such private line or channel communications relating solely to the business of the Customer

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## **BUILDING** (Same)

A structure under one roof, or two or more structures under separate roofs but connected by passageways, in which the Company's wires or cables can be safely run provided the plant facility requirements are not appreciably greater than would normally be required if all structures were under one roof. In those cases where there are several structures under separate roofs but connected by passageways and the plant facility requirements for furnishing telephone service are appreciably greater than would normally be required if all the structures were under one roof, the term "Same Building" applies individually to each of the separate structures.

#### **BUSINESS SERVICE**

Telecommunications service furnished to Customers where the primary or obvious use is of a business, professional, institutional or otherwise occupational nature.

#### **CALL**

An attempted communication, whether completed or not.

#### CALLING AREA

See "Local Service Area."

#### CANCELLATION CHARGES

A charge applicable under certain conditions when the application for service and/or facilities is canceled in whole or in part prior to the completion of the work involved or before the contract period is completed.

#### **CENTRAL OFFICE**

A switching unit in a telecommunications system which provides service to the general public, having the necessary equipment and operating arrangements for the terminating and interconnecting of exchange lines and trunks or trunks only. There may be more than one central office in a building or exchange.

#### **CHANNEL**

A path, or combination of paths, for communication between two or more stations or Company offices and furnished in such a manner as the Company may elect, whether by wire, radio or a combination thereof and whether or not by means of a single physical facility or route.

Issued: Effective:

#### **CIRCUIT**

A channel used for the transmission of energy in the furnishing of telephone and other communication services further described as:

- (a) Two (2) wire circuit: A circuit using one (1) transmission path, which may be one (1) carrier pair or one (1) pair of metallic conductors.
- (b) Four (4) wire circuit: A circuit using two (2) one (1) way transmission paths, which may be two (2) carrier paths or two (2) pairs of metallic conductors

#### CLASS OF SERVICE

A description of telecommunications service furnished a Customer which denotes such characteristics such as nature of use (business or residence) or type of rate (flat or message rate). Classes of service are usually subdivided in grades, such as individual or multi-party line.

# **COMMUNICATIONS SYSTEMS**

Channels and other facilities which are capable, when not connected to exchange telecommunication service, of two (2) way communication between Customer-provided terminal equipment.

#### **COMPANY**

KNOLOGY of Tennessee, Inc.

#### COMPLEX SERVICE

The provision of a circuit requiring special treatment, special equipment or special engineering design.

#### **CONDUIT**

A tubular runway for cable facilities

# **CONNECTING COMPANY**

A corporation, association, firm or individual owning and operating a toll line or one or more central offices and with whom traffic is interchanged.

# **CONNECTION**

Denotes the establishment of telephone service. A move of existing service to a different premise requires a connection.

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# **CONNECTION CHARGE**

See "Service Charges."

#### **CONSTRUCTION CHARGE**

A separate initial charge made for construction of pole lines, circuits, facilities, etc., in excess of that contemplated under the rates quoted in the Tariff.

#### **CONTINUOUS PROPERTY**

The plot of ground, together with any building thereon, occupied by the Customer, which is not divided by public highways or separated by property occupied by others. Where a Customer occupies property on both sides of a street, alley, highway, body of water, railroad right-of-way, etc., and the properties would otherwise be continuous, such properties are treated as continuous property, provided local wire or cable facilities are used and the Customer furnishes all local distribution pole line facilities or underground conduit required in connection therewith.

#### **CONTRACT**

The service agreement between a Customer and the Company under which service and facilities for communication between specified locations for designated periods and for the use of the customer and its specifically named authorized users are furnished in accordance with the provisions of this Tariff.

# **CONTRACT PERIOD**

The length of time for which a Customer is responsible for the charges associated with the services, facilities, and equipment under contract.

#### COST OR COST BASIS

Cost of equipment and materials provided or used plus the cost of installation including, but not limited to, engineering, labor, supervision, transportation, right-of-way, other items which are chargeable, and the actual expense incurred by the Company relating to the call-out of Company personnel.

#### CUSTOM CALLING SERVICES

Custom Calling Services provide for call features like Call Waiting and Call Forwarding and is furnished in connection with individual line service.

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# **CUSTOM LOCAL AREA SIGNALING SERVICES (CLASS)**

Custom Local Area Signaling Services (CLASS) are enhanced services associated with Signal System Seven (SS7) technology. CLASS is furnished in connection with individual line service (private line).

#### **CUSTOMER**

Any person, firm, partnership, corporation, municipality, cooperative organization or governmental agency furnished communication service by the Company under the provisions and regulations of this Tariff. The Customer is responsible for compliance with the rules and regulations of the Company, and is responsible for ensuring payment of the charges.

#### CUSTOMER PREMISE INSIDE WIRE

All wire within a Customer's premise, including connectors, jacks, and miscellaneous materials associated with the wire's installation. Premise inside wire is located on the Customer's side of the Company's premise protector. By definition, Customer premise inside wire excludes house, riser, buried, and aerial cable.

#### **CUSTOMER-PROVIDED TERMINAL EQUIPMENT**

Devices or apparatus and their associated wiring provided by a Customer, which may be connected to the communications path of the Company's exchange network either electrically, acoustically or inductively.

#### CUSTOMER TROUBLE REPORT

Any oral or written report from a Customer received by the Company relating to a physical defect or to difficulty or dissatisfaction with the service provided by the Company's facilities. One (1) report shall be counted for each oral or written report received even though several items are reported by one (1) Customer at the same time, unless the group of troubles so reported is clearly related to a common cause.

#### DEMARCATION POINT

The point of interconnection between the Company's communications facilities and the terminal equipment, protective apparatus or inside wiring at a Customer's premise. The demarcation point is located on the Customer's side of the Company's protector or equivalent.

#### **DIRECT BURIAL**

The installation of cables or conductors directly in the earth and not in conduit or duct.

#### DIRECT CONNECTION

Connection of terminal equipment to the Company's exchange facilities by means other than acoustic and/or inductive coupling.

#### DIRECT ELECTRICAL CONNECTION

A physical connection of the electrical conductors in the communications path.

#### DIRECTORY

A book which is published by the Company and typically lists each telephone Customer alphabetically, with his/her service location and telephone number.

#### DIRECTORY ASSISTANCE SERVICE

Directory assistance service is furnished to supplement the information available in the Company directory, and to furnish telephone numbers to users who are not able to find the listing in their directory.

#### DIRECTORY LISTING

The publication of the Company's directory and/or directory assistance records of information relative to a Customer's telephone number, by which telephone users are able to ascertain the telephone number of a desired party.

#### **DISCONNECT NOTICE**

The written notice sent to a Customer following billing, notifying the Customer that service will be disconnected if charges are not satisfied by the date specified on the notice.

#### DISCONNECTION OF SERVICE

An arrangement for a permanent interruption of telephone service, made at the request of the Customer, or initiated by the Company for violation of Tariff regulations by the Customer. A "final" bill would be rendered showing moneys owed to the Company net of any amounts to be refunded, such as deposits, as of the date the service was disconnected.

#### **DROP WIRE**

Wires used to connect the aerial, buried or underground distribution facilities to the point where connection is made with a Customer's premise.

### **E911 SERVICE**

See Emergency Number Service.

#### **EMERGENCY NUMBER SERVICE**

A telephone exchange communication service whereby a Public Safety Answering Point designated by the Customer may receive and answer telephone calls placed by dialing the number 911. It includes the services provided by the lines and equipment associated with the service arrangement for answering and dispatching of public emergency telephone calls dialed to 911.

#### **ENTRANCE FACILITIES**

Facilities extending from the point of entrance on private property to the premise on which service is furnished.

#### **EXCHANGE**

The area established by the Company for the administration of telecommunications service for which a separate local rate schedule is provided. The area usually embraces a city, town, or village and its environs, and consists of one or more central offices, together with associated plant facilities used in furnishing telecommunications services in that area.

#### **EXCHANGE AREA**

The area within which the Company furnishes complete telephone service from one specific exchange at the exchange rates applicable within that area.

#### EXCHANGE SERVICE

Exchange service is a general term describing, as a whole, the facilities for local intercommunications, together with the capability to send and receive a specified or an unlimited number of local messages at charges in accordance with the provisions of the local exchange Tariff.

(a) Flat rate service: A classification of exchange service furnished a Customer for which a stipulated charge is made regardless of the amount of use.

#### **FACILITIES**

All the plant and equipment of the Company and all instrumentalities owned, licensed, used, controlled, furnished, or supplied for or by the Company, including any construction work in progress allowed by the Commission.

#### **FLAT RATE SERVICE**

A classification of exchange service furnished a Customer for which a stipulated charge is made regardless of the amount of use.

#### GENERAL EXCHANGE SERVICES

Services furnished by the Company connected to or associated with primary local exchange service.

#### **HARM**

Electrical hazards to Company personnel, damage to Company equipment, malfunctions of Company billing equipment, and degradation of service to persons other than the user as well as the calling or called party.

# HIGH CAPACITY CIRCUIT (HI CAP)

Digital-data transmission service equal to, or in excess of T1 data rates (1.544 Mbits).

#### HOUSEHOLD

A household comprises all persons who occupy a dwelling unit. A dwelling unit is a house, an apartment or other group of rooms or a room that constitutes separate living quarters. A household includes the related persons (the head of the household and others in the dwelling unit who are related to the head of the household) and also any lodgers or employees who regularly live in the house. A person living alone or a group of unrelated persons sharing the same dwelling unit as partners is counted as a household.

### **IDENTIFICATION NUMBER**

An identifying number of a particular model of "Conforming Device" attested by a manufacturer or supplier to comply with the standards and procedures set forth in the Federal Communications Commission's Part 68.

#### INDIVIDUAL LINE SERVICE

A classification of exchange service furnished under Tariff provisions which provides that only one exchange access line shall be served by the circuit connected.

#### INITIAL NONRECURRING CHARGE

A nonrecurring charge made for the furnishing of telephone services, which may apply in addition to service connection charges.

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#### **INITIAL SERVICE PERIOD**

The minimum period of time for which service is provided, which is typically one (1) month unless otherwise specified in the Tariff

### **INSTALLATION CHARGE**

A nonrecurring charge associated with optional service features and may sometimes be called an "initial" charge, and may apply in addition to service connection charges.

#### INTEREXCHANGE PRIVATE LINE

A communication path between two (2) or more serving area, and not connected for exchange telephone service.

#### **INTERFACE**

- (a) The junction or point of interconnection between two (2) systems or equipments having different characteristics which may differ with respect to voltage, frequency, speed of operation, type of signal and/or type of information coding including the connection of other than Company-provided facilities to exchange facilities provided by the Company.
- (b) The point of interconnection between Company equipment and communications facilities on the premise of the Customer. Also referred to as demarcation point.

#### INTERFACE EQUIPMENT

Equipment provided by the Company at the interface location to accomplish the direct connection of facilities provided by the Company with facilities provided by other than the Company.

#### **INTERLATA**

Long distance Message Telecommunications Service where point locations are in a different Local Access and Transport Area (LATA).

### **INTRALATA**

Long distance Message Telecommunications Service where service point locations are within the same Local Access and Transport Area (LATA).

#### INTRAEXCHANGE CHANNEL SERVICE

Channel connecting two (2) or more "primary terminations" in the same exchange.

#### INTRAEXCHANGE SERVICE

Telecommunications service confined wholly within a single exchange.

#### **JACK**

A fixed socket designed to permit the establishment of a connection between the local exchange facilities and terminal equipment equipped with cords ending in plugs.

### **KEY EQUIPMENT**

Switching keys located in the telephone base or other housing arranged to pick up or hold a line, or to communicate with other telephones in the Customer's communications system.

#### **KEY TELEPHONE SET**

A telephone set equipped with keys or buttons in the housing.

#### KEY TELEPHONE SYSTEM

An arrangement of equipment in combination with telephone sets and associated keys, to connect those telephones to any one of a limited number of exchange, PBX, intercom or private lines. Line status indicating, signaling, holding or other features, are or may be incorporated.

#### LINE

See "Access Line."

# LOCAL ACCESS AND TRANSPORT AREA (LATA)

Denotes a geographic area established for the administration of telecommunications service. It encompasses designated local operating Company serving area which are grouped to serve common social, economic, and miscellaneous purposes.

#### LOCAL CALLING AREA

See "Local Service Area."

#### LOCAL CHANNEL

Applies to that portion of a channel which connects a station to the interexchange channel or to a channel connecting two (2) or more exchange access lines within an exchange area.

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#### LOCAL EXCHANGE SERVICE

Telecommunications Service provided within an exchange for the purpose of establishing connections between Customer premise within the exchange, including connections between a Customer premise and a long distance service provider serving the exchange. Local Exchange Service may also be referred to as Local Exchange Telephone Service.

#### LOCAL MESSAGE

A communication between two (2) or more exchange access lines within the local service area of the calling telephone.

# LOCAL MESSAGE CHARGE

The charge that applies for a completed message that is made when the calling exchange access line and the called exchange access line are both within the same local calling area where a local message charge is applicable.

### LOCAL SERVICE

The intercommunication (by means of facilities connected with the Company central office or offices and under the provisions of the Company) between exchange access lines located in the same exchange or in different serving area between which no toll rates apply.

# LOCAL SERVICE AREA (LOCAL CALLING AREA)

The area within which telephone service is furnished Customers under a specific schedule of exchange rates (flat or measured) and without toll charges. A local service area may include one or more exchange areas under an extended area service arrangement.

### LOCAL SERVICE CHARGE

The charge for furnishing facilities to enable a Customer to send or receive telecommunications within the local service area. This local service calling area may include one or more exchange areas.

# LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE

Facilities furnished by means of wire, radio or a combination thereof for telecommunications between service points in different local service areas in accordance with the regulations and system of charges specified by the Company.

# MAINTENANCE SERVICE CHARGE

A nonrecurring Maintenance Charge applied when service difficulty or trouble results from the use of Customer-provided equipment or inside wiring.

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#### MESSAGE

A communication between two (2) or more exchange access lines. Messages may be classified as local or toll.

#### **MILEAGE**

The measurement (airline, route, etc.,) upon which a charge for the use of part or all of a circuit furnished by the Company is based.

#### MINIMUM CONTRACT PERIOD

The minimum length of time for which a Customer is obligated to pay for service, facilities and equipment, whether or not retained by the Customer for such minimum length of time.

#### NETWORK CONTROL SIGNALING

The transmission of signals used in the telecommunications system which perform functions such as supervision (control, status, and charging signals), address signaling (e.g., dialing), calling and called number identification and audible tone signals (call progress signals indicating reorder or busy conditions, alerting coin denominations, coin collect and coin return tones) to control the operation of switching machines in the telecommunications system.

#### NONPUBLISHED TELEPHONE NUMBER

A telephone number associated with an exchange access line which, at the request of the Customer, is not listed in the telephone directory and is not made available to the general public by the Company.

#### NONRECURRING CHARGE

A one (1) time charge associated with certain installations, changes or transfers of services, either in lieu of or in addition to recurring monthly charges.

#### **OFF PREMISE EXTENSION (OPX)**

A telephone located in a different office or building from the main phone system.

#### **ONE PARTY SERVICE**

Any exchange access line designed for the provision of exchange service to one (1) premise.

#### PERMANENT DISCONNECT

A discontinuance of service in which the facilities used in the service are immediately made available for use for another service.

#### **PERSON**

Includes individuals, partnerships, corporations, governmental bodies, associations and any other such entity.

#### **PREMISE**

The same premise consists of:

- the building or buildings, together with the surrounding land occupied as, or used in the conduct of one establishment, business, residence, or a combination thereof, and not intersected by a public road or by property occupied by others.
- (b) the portion of the building occupied by the customer, either in the conduct of his business or residence, or a combination thereof, and not intersected by a public thoroughfare or by space occupied by others.
- (c) the continuous property operated as a single farm whether or not intersected by a public road.

#### PREMISE WIRING

All wire within a Customer's premise, including connectors, jacks and miscellaneous materials associated with the wire's installation. Premise inside wire is located on the Customer's side of the Company's premise protector. By definition, Customer premise inside wire excludes riser, buried and aerial cable.

#### PREASSIGNED NUMBER

A telephone number preassigned before service is actually established.

#### **PREWIRING**

Any inside wiring done at the location of a residence or business prior to the initial installation of telephone service.

#### PRIMARY SERVICE

The initial provision of voice grade access between the Customer's premise and the switched telecommunications network. This includes the initial connection to a new Customer, the move of an existing Customer to a new premise, or the change of a telephone number.

#### PRIMARY TERMINATION

Applies to channels which extend beyond the continuous property of a Customer or the confines of a single building housing the first premise of more than one Customer. "Primary Termination" also denotes the first termination of such a channel at a station or private branch exchange on the continuous property of a Customer. When more than one (1) Customer's premise is located within the same building, the first termination of such a channel at that building constitutes a "primary termination." For purpose of this definition, the location of a "primary termination" for channel services associated with "switching system services" is considered to be at the "switching system services" serving central office. When the "switching system services" serving central office is not in the same exchange as the main location, the "mileage service area" center for the main location will be used in lieu of the "switching system services" serving central office.

#### PRIVATE BRANCH EXCHANGE

An arrangement of equipment situated on a Customer's premise consisting of a switching apparatus with an attendant's telephone, telephones connected with the switchboard, and trunks connecting it with a central office. The Private Branch Exchange provides for intercommunications between these telephones, for communication with the general exchange network, and for long distance message telecommunications service.

#### PRIVATE BRANCH EXCHANGE TRUNKS

Trunks connecting a private branch exchange system with a central office for communication with the general exchange network and for long distance message telecommunications service.

### PRIVATE LINE

A circuit provided to furnish dedicated communication between two (2) or more directly connected locations and not having connection with central office switching equipment.

#### PRIVATE LINE SERVICE

The channels furnished to a Customer for communication between specified locations.

# PROTECTIVE CONNECTING ARRANGEMENT

Equipment provided by the Company for electrical protection when facilities provided by other than the Company are connected with facilities provided by the Company.

#### PUBLIC THOROUGHFARE

A road, street, highway, lane or alley under the control of and kept by the public.

#### PUBLISHED TELEPHONE NUMBER

A number which appears in the current telephone directory, or is scheduled to appear in a forthcoming telephone directory, and which also appears in the information records for general public information.

#### RATE CENTER

A specified geographical location within an exchange area from which mileage measurements are determined for the application of rates between exchange areas.

#### REFERENCE LISTING

The listing of a generally accepted name of a firm or corporation followed by a reference to another listing.

#### REGISTERED PROTECTIVE CIRCUITRY

Separate, identifiable and discrete electrical circuitry designed to protect the telephone network from harm, which is registered in accordance with part 68 of the Federal Communications Commission's Rules and Regulations.

### REGISTERED TERMINAL EQUIPMENT

Terminal equipment which is registered in accordance with Part 68 of the Federal Communications Commission's Rules and Regulations.

#### RESIDENTIAL SERVICE

Telecommunications Service furnished to Customers when the actual or obvious use is for domestic purposes.

#### ROTARY HUNTING SERVICE

A central office service arrangement whereby a called busy line in a specified line group will automatically advance until an idle line or trunk is found.

#### **SERVICE CHARGE**

A nonrecurring nonrefundable charge for work required to establish initial service or to make subsequent additions to, moves, or changes in that service.

#### SERVICE DROP

Facilities used to connect buried, aerial or underground distribution facilities to the point of entrance to the building where connection is made with the inside wires of a Customer's telephone.

#### SERVING CENTRAL OFFICE

The central office from which a Customer's telephone service is normally provided.

### SIGNAL CONDITIONING EQUIPMENT

That equipment connected to a channel to condition signals generated by data terminal equipment.

### **SINGLE CHANNEL (Half Duplex)**

A channel with the capability of transmission alternately in either direction, or for transmission in one (1) direction only.

### SPECIALIZED CUSTOMER PREMISE EQUIPMENT

Terminal equipment required by persons with impaired hearing, speech, vision or mobility. When this equipment is provided by a telephone cooperative, it is provided under Tariff in accordance with Part 64, Subpart F, of the Federal Communications Commission's Rules and Regulations.

### STATION EQUIPMENT

Customer-owned or leased equipment connected to a channel to transmit and/or receive voice communications and/or data signals.

#### SUPERSEDURE OF SERVICE

An Applicant who otherwise qualifies for the immediate establishment of service may supersede the service of a Customer discontinuing that service when the Applicant is to take service on the premise where service is being rendered, and if a notice to that effect from both the Customer and the Applicant is presented to the Company, and if an arrangement, acceptable to the Company, is made to pay outstanding charges against the service. The Company may require such notice to be in writing.

#### SUPPLEMENTAL CONTRACT

A contract for service, equipment or facilities in addition to that provided for under the original contract.

Issued:	Effective:

#### SUSPENSION OF SERVICE

An arrangement made at the request of the Customer, or initiated by the Company, for temporarily interrupting service.

#### **TARIFF**

The schedule of the Company containing all rules and regulations, rates, and charges, stated separately by type or kind of service and the Customer class filed with and approved by the Commission.

#### TELECOMMUNICATIONS SERVICES

The various services offered by the Company as specified in this Tariff.

#### TELEPHONE COMPANY

See "Company."

#### TELEPHONE NUMBER

A numerical designation assigned to a Customer for convenience in operation and identification. The telephone numbers include the number prefix of a central office, which is termed "central office designation."

#### TELEPHONE SOLICITATION

An unsolicited telephone call.

#### TEMPORARY DISCONNECTION

See "Suspension of Service."

#### TEMPORARY SERVICE

The provision of service definitely known to be required for a short period of time (generally less than twelve (12) consecutive months) such as, but not limited to, service furnished to building contractors, service to a convention, and service for seasonal business including resorts.

#### **TERMINATION AGREEMENT**

An agreement between the Company and the Customer to provide or furnish certain lines or equipment representing a comparatively high investment or in lieu of a contribution to construction for temporary service whereby the Customer agrees to compensate the Company in case the service is discontinued prior to the date specified in the agreement.

#### **TERMINATION CHARGE**

A charge made to liquidate a Customer's obligations for termination of service prior to the expiration of the initial contract period.

#### TERMINATION OF SERVICE

The discontinuance of service or facilities provided by the Company, either at the request of the Customer or by the Company under its regulations concerning cancellation for cause.

#### TIE LINE

A circuit connecting two (2) switching systems (e.g., Private Branch Exchange and/or Automatic Call Distribution Systems) for the purpose of intercommunicating between the stations connected.

#### **TOLL MESSAGE**

A communication between two (2) exchange access lines, the called access line being outside of the local or service area of the access line from which the message originates.

#### TOLL RATE

The initial period charge prescribed for a toll message usually based upon a minimum initial period and distance between serving area.

#### **TOLL SERVICE**

That part of the total telephone service rendered by the Company which is furnished between different local service areas in accordance with the rates and regulations specified in the Long Distance Message Telecommunications Tariff as may be issued or concurred in by the Company.

#### TRUNK LINE

A telephone communication channel between a central office and a Private Branch Exchange, or a Key System for the common use of all calls or one (1) class between its two (2) terminals.

#### UNDERGROUND SERVICE CONNECTION

A drop wire or cable which is run underground from a pole line or an underground distributing cable.

### **VOICE GRADE FACILITY**

A communications path typically used in the telecommunications industry for the 'transmission of voice and associated telephone signals within the frequency bandwidth of approximately 300 to 3000 Hertz between two (2) points comprised of any form or configuration of physical plant capable of transmitting and receiving these frequencies.

### WIDE AREA TELECOMMUNICATIONS SERVICE (WATS)

A service designed to meet the needs of Customers who make or receive substantial volumes of long distance telephone calls. This service is only provided on an inward or outward basis.

#### WIRE CENTER

A central office location where telephone feeder and distribution cables are terminated.

### **Symbols For Tariff Changes**

#### General

The following symbols will be utilized for all changes of material within the General Exchange Tariff:

- C Change in Regulation
- **D** Discontinued Rate, Regulation or Text
- E Correction of an error made prior to current revision of Tariff
- I Increase in Rate
- M Moved Rate, Regulation or Text from one page to another with no change in Rate, Regulation or Text.
- N New Rate, Regulation or Text
- R Reduction in Rate
- T Text Change, but no change in Rate or Regulation

### TABLE OF CONTENTS

	Page
GENEF	RAL APPLICATION3
<b>ESTAB</b>	LISHING SERVICE
4.2.1	Availability of Facilities
4.2.2	Application for Service
4.2.3	Cancellation or Change in Application for Service
4.2.4	Refusal of Service
4.2.5	Transfer, Assignment, or Supersedure of Service
4.2.6	Minimum Service Periods
4.2.7	Priority of Establishment of Service
<u>FURNI</u>	SHING OF SERVICE 6
4.3.1	Provision and Ownership of Service and Facilities
4.32	Company Facilities at Hazardous or Inaccessible Locations
4.3.3	Protective Equipment
4.3.4	Telephone Numbers
4.3.5	Classifications of Service
4.3.6	Installation, Maintenance, and Repair of Facilities
4.3.7	Work Performed Outside Regular Working Hours
USE O	F SERVICE AND FACILITIES12
4.4.1	Use of Service
4.4.2	Accessories Provided by the Customer
4.4.3	Limit on Communication
4.4.4	Unlawful, Abusive, or Fraudulent Use of Service
DISCO	NNECTION, TERMINATION OR SUSPENSION OF SERVICE14
4.5.1	Discontinuance of Service
4.5.2	Termination of Service
4.5.3	Restoration of Service

**Issued:** 

Effective:

### TABLE OF CONTENTS

	<u>Page</u>
CUSTO	OMER RELATIONS
4.6.1	General
4.6.2	Customer Complaints
4.6.3	Applicant Deposit
4.6.4	Payment for Service
4.6.5	Allowance for Interruptions
4.6.6	Adjustment of Charges for Overbilling and Underbilling
4.6.7	Disputed Bills
LIABII	LITY OF THE COMPANY
4.7.1	Service Irregularities
4.7.2	Use of Facilities of Other Connecting Carriers
4.7.3	
4.7.4	Defacement of Premises
TEMPO	ORARY NUMBER PORTABILITY 28
4.8.1	Terms of Service
TELEC	COMMUNICATIONS RELAY SERVICE28
4.9.1	General
4.9.2	Restrictions
INDIV	IDUAL CASE BASIS (ICB) ARRANGEMENTS29
ТЕМР	ORARY PROMOTIONAL PROGRAMS29

Issued:

Effective:

#### 4.1 GENERAL APPLICATION

- 4.1.1 The rules and regulations set out in this Tariff apply to the services and associated facilities furnished by the Company within its operating territory in the serving area listed in Section 2 of this Tariff.
- 4.1.2 Complete Tariffs containing all rates for Local Exchange Service will be kept at all times in the Company's local business office where they will be available for public inspection during regular business hours. Copies may be obtained at reproduction cost.
- 4.1.3 Failure on the part of any Customer to observe these rules and regulations of this Tariff gives the Company the right to cancel all contracts and discontinue the furnishing of service.

#### 4.2 ESTABLISHING SERVICE

#### 4.2.1 Availability of Facilities

- A. The rates and charges quoted in this Tariff provide for the furnishing of service and facilities where suitable facilities are available.
- B. The Company shall not be liable for failure to furnish service.
- C. When service and facilities are provided in part by the Company and in part by other connecting companies the regulations of the Company apply to that portion of the service and facilities furnished by the Company.

# 4.2 ESTABLISHING SERVICE (Cont'd)

# 4.2.2 Application for Service

- A. Applications for service or requests or orders by the Customer for additional services or facilities may be made orally, or in writing when deemed necessary by the Company, and shall constitute a contract when accepted by authorized employees or agents of the Company, or upon establishment of service.
- B. An Applicant may be required to make an advance payment at the time the application is accepted, in cases where a deposit is not collected. The amount of the payment will be based on applicable Service Connection Charges and the first month's charges for Exchange Service. The provisions of this paragraph affect the initial payment only and regular monthly charges for service as well as billing and collection practices discussed within this Tariff are otherwise applicable.

# 4.2.3 Cancellation or Change in Application for Service

- A. Where the Customer cancels an application for service prior to the start of installation of service or of special construction no charge applies.
- B. Where installation of service has been started prior to the cancellation, a Cancellation Charge equal to the Minimum Service Charge may apply.
- C. When a Customer requests a change in location of all or a part of the facilities covered by the application for service, or additions, rearrangements, or modifications of existing service prior to completion of the work involved, the Customer is also required to pay the amount of additional costs and expenses incurred by the Company in completing the work as changed.

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**Effective:** 

# 4.2 <u>ESTABLISHING SERVICE</u> (Cont'd)

### 4.2.4 Refusal of Service

# A. Grounds for Refusal of Service:

- 1. The Company may refuse to serve an applicant for any one (1) of the following reasons:
  - a. The Applicant's installation or equipment is known to be inadequate, hazardous or of such character that satisfactory service cannot be given;
  - b. the Applicant is indebted to any utility Company for the same or similar kind of service as that applied for;
  - c. for refusal to make a deposit if the Applicant is required to make a deposit under the requirements outlined in this Tariff;
  - d. for unavailability of Company facilities;
  - e. the applicant fails to satisfy a Company defined credit worthiness test;
  - f. failure to pay for merchandise or charges for nonutility service purchased from the Company;
  - g. failure to pay the bill of another Customer at the same address.

## B. Applicant's Recourse

In the event the Company refuses to serve an Applicant, the Company will inform the Applicant of the reasons for its refusal.

# 4.2.5 Transfer, Assignment, or Supersedure of Service

A. Service previously furnished to one (1) Customer may not be assumed by a new Customer without lapse in the rendition of service. The new Customer must execute a new service agreement which is subject to the provisions of this Tariff.

# 4.2 ESTABLISHING SERVICE (Cont'd)

# 4.2.6 Minimum Service Periods

Unless otherwise specified elsewhere in this Tariff, the minimum service period for all services offered in this Tariff is one (1) month beginning on and including the day following the establishment of service. The minimum service period relates to each applicable unit of service, either on the initial or subsequent installations. For purposes of administration, each month is considered to have thirty (30) days.

# 4.2.7 Priority of Establishment of Service

Applications for service in a particular exchange will be completed in the chronological order of their receipt to the extent practical and economical, and depending on the availability of facilities.

### 4.3 FURNISHING OF SERVICE

# 4.3.1 Provision and Ownership of Service and Facilities

Service and facilities furnished by the Company on the premises of a Customer or authorized user are the property of the Company and are provided upon the condition that such service and facilities, except as expressly provided in this Tariff, must be installed, relocated, and maintained by the Company. Company employees and agents may enter said premises at any reasonable hour to install, to inspect, or to repair any part of the Company's facilities on the Customer's premise, or to remove such facilities which are no longer necessary for the provision of service.

# 4.3.2 Company Facilities at Hazardous or Inaccessible Locations

- A. Where service is to be established or maintained at a location that would involve undue hazards or where accessibility is impracticable to employees of the Company, the Company may refuse to furnish such service and/or the Customer may be required to install and maintain the Company's facilities in a manner satisfactory to the Company. The Customer will reimburse the Company for any unusual costs involved.
- B. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, or damage by reason of the installation and maintenance of such service and/or facilities.

# 4.3 FURNISHING OF SERVICE (Con't)

### 4.3.3 Protective Equipment

- A. Protective equipment is required when a hazardous electrical environment is present at a Customer's premise and when the estimated rise in ground potential is sufficient to cause damage to Company facilities or to endanger the safety of the Company's employees or Customers. The Customer must provide the protective equipment subject to Company specifications.
- B. Other special protective equipment and/or neutralizing transformers, isolating transformers, drain coils for use in providing service to Customer's premise where there are high ground potentials, even though not required, may be provided by the customer, subject to specifications, or in accordance with the rates, terms and conditions of Section 9 of this Tariff.
- C. All equipment connected to the Company's facilities and the telecommunications network shall meet the provisions of Part 68 of the Federal Communications Commission's Rules and Regulations and Section 10 of this Tariff.

# 4.3.4 Telephone Numbers

- A. Telephone numbers are the property of the Company and are assigned to the service furnished the Customer. The Company reserves the right to change such numbers and/or the central office name associated with such numbers assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.
- B. The Company shall list each Customer with directory assistance except those numbers not listed at the Customer's request.
- C. Disconnected residence telephone numbers shall not be reassigned for one hundred and twenty (120) days. Disconnected business numbers shall not be reassigned, unless requested by the customer, for one hundred and eighty (180) days or the life of the directory, whichever is longer, unless no other numbers are available for providing service to new Customers.
- D. When additions or changes in plant or changes to any other of the Company's operations necessitate changing telephone numbers to a group of Customers, at least forty five (45) days written notice shall be given to all affected Customers even though the addition or changes may be coincident with a directory issue.

# 4.3 FURNISHING OF SERVICE (Cont'd)

### 4.3.5 Classifications of Service

#### A. Basis for Classification

- 1. The determination as to whether Customer service should be classified as business or residence service is based on the character of the use to be made of the service and facilities. This consideration is, in all cases, the basis upon which the rates for any particular service are classified, and any indices of such character of use should be applied with this primary definition in mind.
- 2. The Company reserves the right to classify any local service furnished a Customer as business or residence service, in compliance with this Tariff.

# B. Application of Business Rates

Business rates apply whenever the use of the service is primarily or substantially of a commercial, professional, institutional, or otherwise occupational nature, or where the listing required is such as to indicate business use.

- 4.3 FURNISHING OF SERVICE (Cont'd)
  - 4.3.5 Classifications of Service (Con't)
    - C. Application of Residence Rates

Residence rates apply when the use of the service is of a domestic nature, provided that service is not used substantially for occupational purposes.

# 4.3 **FURNISHING OF SERVICE** (Cont'd)

# 4.3.5 Classifications of Service (Cont'd)

D. Changes in classification between residence to business service may be made without change in telephone number subject to the abilities of the Company.

# 4.3.6 Installation, Maintenance, and Repair of Facilities

- A. All ordinary expense of installation, maintenance, and repairs of Company equipment and facilities, unless otherwise specified in this Tariff, is borne by the Company. Where special conditions or requirements of the Customer involve unusual construction or installation costs, the Customer may be required to pay a reasonable proportion of such costs. In case of damage, loss, theft, or destruction of any of the Company's property due to the negligence or willful act of the Customer or other persons authorized to use the service and not due to ordinary wear and tear, the Customer shall be required to pay the actual expense incurred by the Company in connection with replacement of the property or the expense incurred in restoring it to its original condition.
- B. The Customer shall not install, disconnect, rearrange, remove, or attempt to repair any facilities owned and furnished by the Company or permit others to do so, except upon the written consent of the Company or as otherwise specified in the Company's applicable Tariffs. The Company shall have the right to charge the Customer for losses experienced as a result of unauthorized tampering.

### 4.3 **FURNISHING OF SERVICE** (Cont'd)

# 4.3.6 Installation, Maintenance, and Repair of Facilities (Con't)

C. The Customer may be billed the applicable Minimum Service Charge for each service call to the Customer's premise where off-hook condition is found.

# 4.3.7 Work Performed Outside Regular Working Hours

The rates and charges specified in this Tariff contemplate that all work in connection with furnishing or rearranging service will be performed during regular working hours. Whenever a Customer requests that work necessarily required in the furnishing or arranging of his service be performed outside the Company's regular working hours, or that work already started should be interrupted, the Customer may be required to pay the amount of additional costs the Company incurs as a result of the Customer's special requirements, in addition to the other rates and charges specified in this Tariff.

# 4.4 <u>USE OF SERVICE AND FACILITIES</u>

#### 4.4.1 Use of Service

- A. The Company may refuse to install or may terminate a Customer's service if it is located on premise of a public or semi-public nature or in a business establishment, where the public in general or patrons of the Customer may make use of the service.
- B. Services provided by the Company may not be resold by the Customer or used in any manner for which the Customer receives compensation from the user except as provided herein:
  - 1. Access services provided pursuant to interstate or intrastate access services Tariffs the Company issues or concurs in.
  - 2. Services provided to hotels, motels, hospitals, and cellular and paging Customers when such services are resold to guests, patients, or Customers.
- C. The Customer is responsible for payment of all charges of the Company for all services ordered by the Customer, including those that are shared or resold as provided herein, regardless of whether such charges are associated with the Customer's usage or that of any authorized users and regardless of whether such authorized users have paid the Customer for their share of the Company's charges.

# 4.4.2 Accessories Provided by the Customer

No equipment, accessory, apparatus, circuit or device shall be attached to or connected with the Company facilities except as provided in this Tariff. In case any such unauthorized attachment or connection is made, the Company shall have the right to remove or disconnect the same, to suspend service during the continuance of said attachment or connection, or to disconnect service. The customer shall be held responsible for the cost of correcting any impairment of service caused by the use of such attachments or connections and shall be billed for each service call made to his/her premise because of the use of such attachments or connections.

#### 4.4.3 Limit On Communication

The Company reserves the right to limit the length of communications when necessary due to a shortage of facilities caused by emergency conditions.

# 4.4 USE OF SERVICE AND FACILITIES (Cont'd)

# 4.4.4 Unlawful, Abusive, or Fraudulent Use of Service

- A. The service is furnished subject to the condition that it will not be used for any unlawful purpose. Service will be discontinued, after proper written notice, if any law enforcement agency, acting within its apparent jurisdiction, advises in writing that such service is being used in violation of law. The Company will refuse to furnish service when it has reasonable grounds to believe that such service will be used in violation of law. The Company shall in no event be liable for any damage resulting from any action taken or threatened pursuant to this Section.
- B. The Company may suspend or terminate telephone service to any person(s), firm or corporation who: uses or permits the use of foul, abusive, obscene or profane language over the facilities furnished by the Company; or impersonates or permits impersonation of any other individual with fraudulent or malicious intent; or uses or permits their telephone to be used to make calls whether anonymous or otherwise in any manner which could reasonably be expected to frighten, abuse, torment, or harass another; or uses the service in such a manner as to interfere in any way with the service of others.

# 4.5 <u>DISCONNECTION, TERMINATION OR SUSPENSION OF SERVICE</u>

### 4.5.1 Discontinuance of Service

A. Non-payment Service Interruption

In the event of a proposed disconnection of Residential Basic Local Service only, the following procedures shall apply:

- 1. No Basic Residential Service shall be disconnected for Local Service Charge until at least twenty -nine (29) days from the date of the bill.
- 2. No Residential Service can be disconnected for Local Service Charges unless the utility has given the affected Customer a written notice of the proposed disconnection at least five (5) days before the proposed date of disconnection. The notice must include:
  - a. the final payment date of the amount due;
  - b. the reason for the disconnection, including the unpaid balance due;
  - c. a telephone number which the Customer may call for information about the proposed disconnection; and
- 3. If contact with the Customer was not previously made and notice of the disconnection was by mail or by leaving it at the premise, the utility must make a good faith effort to contact the Customer at least two (2) days before the proposed disconnection.
- 4. If a Customer's check is returned for insufficient funds or dishonored by the bank, this constitutes an automatic waiver of the written notice requirements.

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# 4.5 <u>DISCONNECTION, TERMINATION OR SUSPENSION OF SERVICE</u> (Cont'd)

B. Disconnection With Notice

Telephone service may be disconnected after proper notice for any of the following reasons:

- 1. failure to pay a delinquent account including only the carriage charges of an interexchange carrier when the Company bills for those carriers;
- 2. violation of the Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment when a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;
- 3. failure to comply with deposit or guarantee arrangements where required;
- 4. failure to pay for merchandise or charges for non-utility service purchased from the Company;
- 5. failure to pay the account of another Customer as guarantor thereof;
- 6. failure to pay charges for calls to pay-per-call information services.
- C. Telephone service may be disconnected without notice under either of the following conditions:
  - 1. where a known dangerous condition exists for as long as the condition exists, where reasonable given the nature of the hazardous condition, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected; or
  - 2. where service is connected without authority by a person who has not made application for service, or who has reconnected service without authority following termination of service for nonpayment, or in instances of tampering with the Company's equipment or bypassing the same.

# 4.5 <u>DISCONNECTION, TERMINATION OR SUSPENSION OF SERVICE</u> (Cont'd)

#### 4.5.1 Discontinuance of Service (Cont'd)

D. Disconnection on Holidays or Weekends

Unless a dangerous condition exists or unless the Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Company are not available to the public for the purpose of making collections and reconnecting services.

#### 4.5.2 Termination of Service

- A. Termination of Service by the Company
  - 1. When the service is terminated on the initiative of the Company because of violation of its regulations by the Customer, the regulations stipulated in the paragraph below for termination of service by the Customer apply.
  - 2. Should service be terminated for nonpayment of charges, restoration of service will be made only as prescribed in Section 4.5.3 of this Tariff.
- B. Termination of Service by the Customer

Service may be terminated at any time upon reasonable notice from the Customer to the Company. Upon such termination, the Customer shall be responsible for the payment of all charges due. This includes all charges due for the period of service that has been rendered plus any unexpired portion of a minimum service period and applicable Termination Charges.

# 4.5 <u>DISCONNECTION, TERMINATION OR SUSPENSION OF SERVICE</u> (Cont'd)

#### 4.5.3 Restoration of Service

- A. For restoration of a Customer's telecommunications service when service has been disconnected the following conditions are applicable. Service Charges are discussed in Section 5 of this Tariff.
- B. If the Customer's service has been terminated the Customer must reapply for telephone service as a new Applicant before having service restored. Such application will be subject to applicable Service Charges.
- C. At its discretion, the Company may restore or re-establish service which has been suspended or disconnected for nonpayment of charges prior to payment of all charges due. Such restoration or re-establishment shall not be construed as a waiver by the Company of any rights to suspend or disconnect service for nonpayment of charges due and unpaid, or for the violation of the provisions of this Tariff. Moreover, the Company's failure to suspend or disconnect service for nonpayment of any past due account or accounts shall not operate as a waiver or estoppel to suspend or disconnect service for nonpayment of such account or of any other past due account.

#### 4.6 CUSTOMER RELATIONS

#### 4.6.1 General

- A. The Company will maintain a current set of maps showing the physical locations of its facilities and telephone exchange locations. Each central location will have available up-to-date maps or records of its immediate area, with such other information as may be necessary to enable the Company to advise Applicants and others entitled to the information, as to the facilities available for serving that locality.
- B. Upon request for service by a residential applicant or upon request for transfer of service by a residential Customer, the Company shall inform the Applicant or Customer of the Company's lowest priced alternatives available at the Customer's location. The Company shall provide this information beginning with the lowest priced alternative and giving full consideration to applicable service or equipment options and Installation Charges.

### 4.6 <u>CUSTOMER RELATIONS</u> (Cont'd)

#### 4.6.1 General

- C. The Company will post a notice in a conspicuous place in each business office of the Company where applications for service are received informing the public that copies of the rate schedules and rules relating to the services of the Company, as filed with the Regulatory Authority, are available for inspection.
- D. The Company will provide to all new residential telephone utility Customers, at the time service is initiated, a pamphlet or information packet advising the applicant of his or her rights as a customer. This information shall inform the Customers concerning their right to request information relating to rates and services; bill payment policies; regulations in regard to termination of service; billing disputes; information about alternative payment plans; reconnection of service after involuntary termination; Customer complaints, supervisory review by the Company and registering a complaint with the Regulatory Authority; Company business office hours, addresses and telephone numbers; deposits; statement of nondiscrimination; and availability of any special services such as readers or notices in Braille, as well as the telephone number of the teletypewriter for the deaf at the Regulatory Authority.

### 4.6.2 Customer Complaints

- A. Upon complaint to the Company by a Customer either at the Company's office by letter or by telephone, the Company shall promptly make a suitable investigation and advise the complainant of the results thereof.
- B. In the event the complainant is dissatisfied with the Company's report, the Company will advise the complainant of the Regulatory Authority complaint process, and inform the complainant that they may contact the Division at the Regulatory Authority which is responsible for handling complaints.
- C. Upon receipt of a complaint, either by letter or by telephone, from the Regulatory Authority on behalf of a Customer, the Company shall make a suitable investigation and advise the Regulatory Authority within thirty (30) days of the results thereof.
- D. The Company shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof, for a period of two (2) years subsequent to the final settlement of the complaint. Complaints with reference to rates or charges which require no further action by the Company will not be recorded.

# 4.6 <u>CUSTOMER RELATIONS</u> (Cont'd)

### 4.6.3 Applicant or Customer Deposit

A. Definition of Applicant and Customer

For purposes of this subsection, an Applicant is defined as a person who applies for service for the first time or reapplies at a new or existing location after discontinuance of service. Customer is defined as someone who is currently receiving service.

### B. Establishment of Credit

- 1. The Company may require a permanent residential or business Applicant for service to satisfactorily establish credit, but such establishment of credit will not relieve the Customer from prompt payment of bills. Credit history shall be applied equally for a reasonable period of time to a spouse or former spouse who shared telephone service. Credit history applies equally to both, without modification.
- 2. A residential Applicant will not be required to pay a deposit subject to the following rules:
  - a. If the residential Applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required;
  - b. the third party guarantor must be a customer of the Company and must have been a customer of the Company for at least one (1) year, and have established satisfactory credit in which no balance has been carried forward;
  - c. the guaranty contract shall be on a form provided by the Company which shall include the Company's right to transfer charges from a defaulted bill of the Customer from whom a deposit or Contract of Guaranty was required, to the guarantor's account or accounts and the further right to suspend the guarantor's service as provided in this Tariff;
  - d. unless otherwise agreed to by the guarantor, the guarantee shall be for the amount of the deposit the Company would normally seek on the applicant's account. The amount of the guarantee shall be clearly indicated on any documents or contracts of guaranty signed by the guarantor.

# 4.6 **CUSTOMER RELATIONS** (Cont'd)

# 4.6.3 Applicant or Customer Deposit (Cont'd)

- B. Establishment of Credit (Cont'd)
  - 3. An Applicant for residential or business service may be required to make a deposit if the credit of the applicant for service has not been established satisfactorily to the Company.
  - 4. Every Applicant who has previously been a Customer of the Company and whose service has been discontinued for nonpayment of bills shall be required to pay all amounts due the Company and re-establish credit before service is rendered by the Company.

### C. Interests on Deposits

- 1. The Company shall pay interest on deposits at a rate no higher than that established by the State Regulatory Authority. Interest on deposits shall accrue annually and, if requested, shall be annually credited to the Customer by deducting such interest from the amount of the next bill for service following the accrual date.
- After the Customer has paid for twelve(12) consecutive bills for service without having service discontinued for nonpayment or having more than one (1) occasion on which a bill was not paid within the period prescribed by the regulations of the Company; and the customer is not then delinquent in the payment of his bills, the Company shall annually and automatically refund the deposit plus accrued interest. Deposit's maturing under this Section for refund and falling on other than the Company's normal annual refund date will be promptly returned to the Customer upon request. If the Customer had service discontinued for nonpayment of his bill or had more than one (1) past due bill for such period, the Company shall thereafter review the account every twelve (12) billings and shall promptly and automatically refund the deposit plus accrued interest after the Customer has not had service discontinued for nonpayment of bill or had more than one (1) such past due bill during the twelve (12) billings prior to any review and is not then delinquent in the payment of his bills.

## 4.6 **CUSTOMER RELATIONS** (Cont'd)

## 4.6.3 Applicant or Customer Deposit (Cont'd)

## D. Deposit Required

- 1. When a permanent residential or business Applicant does not meet the conditions listed in Section 4.6.3.B, a deposit will be required by the Company subject to the rules that follow.
- 2. The required initial deposit shall not exceed an amount equivalent to two and one-half (2 ½) months local service and the estimated call messages during a like period.

## E. Information Provided With Deposits

At the time a deposit is required, the Company shall provide written information about deposits to Applicants for, or Customers of, business or residential service. This information will include:

- 1. the circumstances under which the Company may require a deposit, or request an additional deposit;
- 2. how a deposit is calculated;
- 3. the amount of interest paid on a deposit and how this interest is calculated; and
- 4. the time frame and requirement for return of the deposit to the Customer.

## 4.6 **CUSTOMER RELATIONS** (Cont'd)

## 4.6.3 Applicant or Customer Deposit (Cont'd)

- F. Records of Deposits
  - 1. The Company will keep records to show:
    - a. the name and address of each depositor;
    - b. the amount and date of the deposit; and
    - c. each transaction concerning the deposit.
  - 2. The Company will issue a receipt of deposit to each Applicant from whom a deposit is received and will provide means whereby a depositor may establish his claim if the receipt is lost.
  - 3. A record of each unclaimed deposit will be maintained for four (4) years, during which time the Company will make a reasonable effort to return the deposit.

## G. Refund of Deposit:

- 1. If service is not connected or after disconnection of service, the Company will promptly and automatically refund the Customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one (1) premise to another within the service area of the Company shall not be deemed a disconnection where refund of the deposit is concerned.
- 2. When the Customer has paid bills for service for twelve(12) consecutive residential billings or for twelve (12) consecutive business billings without having service disconnected for non-payment of bill and without having more than two (2) occasions in which a bill was delinquent, and when the Customer is not delinquent in the payment of the current bills, the Company will promptly and automatically refund the deposit plus accrued pro rated interest for the year at a rate prescribed by the Tennessee Regulatory Authority in the form of cash or a credit to a Customer's bill, or void any guarantee of payment and return any documents or contracts of guarantee to the guarantor. If the Customer does not meet these refund criteria the deposit or contract of guarantee may be retained.

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## 4.6 **CUSTOMER RELATIONS** (Cont'd)

### 4.6.4 Payment for Service

A Customer shall be responsible for the payment of all charges for services and equipment furnished the Customer, including charges for services originated and/or charges accepted at the Customer telephone. Failure to receive a bill or disconnect notice does not relieve the Customer of the responsibility for payment provided the Company has followed procedures for proper Customer notification. The services or facilities furnished by the Company may be suspended for failure of the Customer to pay any sum due as set forth under Sections concerning discontinuance of service.

## A. Billing Period and Charges

- Bills for telephone service will normally be rendered monthly. Bills may be rendered more frequently, however, when it is considered necessary or advisable by the Company. Bills shall show the Company name, toll free telephone number, period of time covered by the billings, and shall show a clear listing of all charges due and payable, including outstanding amounts in the same Customer class that the Company may have chosen to transfer from a Customer's prior delinquent account(s). Payment of charges for moves and changes and other nonrecurring charges may be required prior to completion.
- 2. Charges for local services and facilities are payable monthly in advance.
- 3. Special charges, fees, and taxes: An additional charge may be added to the Customer's bill for service, which is equal to the pro rata share of any occupation, franchise, business, license, excise, privilege, or other similar charge or tax, now or hereafter imposed by any municipal taxing body or municipal authority whether by statute, ordinance, law, or otherwise, and whether presently due or to hereafter become due. Additionally, the company may choose to charge a Subscriber Line Charge to the end user. If the Company chooses to charge the Subscriber Line Charge, the amount charged to the end user will not exceed what the Company is charged by the Incumbent Telephone Company.
- 4. The Company will provide the Customer with a breakdown of Local Service Charges at the time service is initially installed or modified, or if requested by the Customer, at a reasonable charge. The Customer may also choose to receive an itemized breakdown of Local Service Charges monthly or annually which will be provided by the Company at a reasonable charge.

## 4.6 **CUSTOMER RELATIONS** (Cont'd)

## 4.6.4 Payment for Service (Cont'd)

## B. Pro Rating of Charges

Charges for service normally furnished on a monthly basis (except those involving a minimum billing period) billed for periods in excess of, or less than, a billing month will be pro rated. The Customer must request a refund for pro-rated amounts less than ten dollars (\$10).

## C. Suspended or Disconnected Service

- 1. Should service be suspended for nonpayment of charges, it will be restored only as provided in Section 4.5.4 of this Tariff.
- 2. When service has been disconnected for nonpayment, the service agreement is considered terminated. Re-establishment of service may be made only upon the execution of a new service agreement subject to the provisions of this Tariff.

## D. Payment Arrangements

The Company may agree to a payment arrangement, whereby an outstanding bill will be paid after the due date of the bill but before the due date of the next bill if a Customer so requests. If the Customer does not fulfill the terms of such payment arrangements the Company shall have the right to disconnect service. A disconnect notice must be issued prior to termination of service, if one had not been issued before the payment arrangement was executed.

## 4.6 **CUSTOMER RELATIONS** (Cont'd)

## 4.6.5 Allowance for Interruptions

In the event a Customer's service is interrupted other than by the negligence or willful act of the Customer, or for mechanical problems past the Company's facility connection point with the Customer, and it remains out of order for twenty-four(24) hours or longer after being reported to be out of order, and after access to the premise is made available, appropriate adjustments or refunds shall be made to the Customer. The amount of adjustment or refund shall be determined on the basis of the known period of interruption, generally beginning from the time the service interruption is first reported. The refund to the Customer shall be the pro-rata part of the month's flat rate charges for the period of days for the portion of the service facilities rendered useless or inoperative. Calculated as follows:

Amount of refund = <u>number of days of interruption</u> X monthly local service rate total days in billing period

The refund may be accomplished by a credit on a subsequent bill for telephone service.

# 4.6.6 Adjustment of Charges for Overbilling and Underbilling

If billings for telecommunications service are found to differ from the Company's lawful rates for the services purchased by the Customer, or if the Company fails to bill the Customer for such services, a billing adjustment shall be calculated by the Company.

The backbilling for both overcharges and undercharges to the Customer shall not exceed six (6) months.

If such undercharges are one hundred dollars (\$100.00) or more, the Company shall offer the Customer a deferred payment plan option for the same length of time as that of the underbilling.

### 4.6.7 Disputed Bills

- A. In the event of a dispute between a Customer and the Company regarding any bill for utility service, the Company shall forthwith make such investigation as shall be required by the particular case, and report the results thereof to the Customer and, in the event the dispute is not resolved, shall inform the Customer of the complaint procedures of the Regulatory Authority.
- B. A Customer's service shall not be subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the determination of the dispute, but in no event to exceed thirty (30) days. The Customer is obligated to pay any billings not disputed. Undisputed amounts are subject to discontinuance of service.

## 4.6 **CUSTOMER RELATIONS** (Cont'd)

## 4.6.7 Disputed Bills (Cont'd)

C. Any Customer or Applicant for service requesting the opportunity to dispute any action or determination of the Company under the Customer service rules as set out in the Company's Tariff shall be given an opportunity for a supervisory review by the Company. If the Company is unable to provide a supervisory review immediately following the Customer's request for such review, arrangements for the review shall be made for the earliest possible date. Service shall not be disconnected pending completion of the review. If the Customer chooses not to participate in such review or to make arrangements for such review to take place within thirty (30) days after requesting it, the Company may disconnect service, providing notice has been issued under standard disconnect procedures. Any Customer who is dissatisfied with the review by the Company will be informed of their right to file a complaint and/or request a hearing before the Regulatory Authority. The results of the supervisory review must be provided in writing to the Customer within thirty (30) days of the review, if requested.

## 4.7 LIABILITY OF THE COMPANY

### 4.7.1 Service Irregularities

A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in transmission, or failure or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of the Company in failing to exercise reasonable supervision or to maintain proper standards of maintenance and operation, shall in no event exceed an amount equivalent to the proportionate Local Service Charge to the Customer for the period of service during which such service irregularities occur and continue.

However any such mistakes, omissions, interruptions, delays, errors, or defects in transmission or failure or defects in facilities furnished by the Company which are caused or contributed to by the negligence or willful act of the Customer, authorized user, or joint user or which arise from the use of Customer provided premise equipment shall not result in the imposition of any liability whatsoever upon the Company.

## 4.7 <u>LIABILITY OF THE COMPANY</u> (Cont'd)

## 4.7.2 Use of Facilities of Other Connecting Carriers

When suitable arrangements can be made, facilities of other connecting carriers may be used in conjunction with the Company's facilities in establishing connections to points not reached by those facilities. Neither this Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other Company or companies furnishing a portion of such service.

## 4.7.3 Indemnifying Agreement

The Company shall be indemnified and saved harmless by the Customer against: claims for libel, slander, or the infringement of copyright arising directly or indirectly from the material transmitted over Company facilities or the use thereof; claims for infringement of patents arising from combining with, or using in connection with, facilities furnished by the Company, and apparatus and systems of the Customer; and all other claims arising out of any act or omission of the Customer in connection with the facilities provided by the Company.

#### 4.7.4 Defacement of Premises

The Company is not liable for any defacement or damage to the premise of a Customer resulting from the furnishing of service or the installation, attachment, or removal of the facilities furnished by the Company on such premise, when such defacement or damage is not the result of the sole negligence of the Company or its employees.

## 4.8 TEMPORARY NUMBER PORTABILITY

#### 4.8.1 Terms of Service

The company shall provide two (2) way temporary number portability for Customers pursuant to any regulations issued by the FCC or the Tennessee Regulatory Authority. The Company will allow, as long as it is technically feasible, for Customers with BellSouth or other LEC telephone numbers which were assigned within the Company's local calling scope to be retained by the Customer when they receive Company service. Such temporary number portability will be accomplished via call forwarding performed at the switch. Customers should note that certain features such as Voice Mail, Caller ID and Calling Name and Number ID may not function properly with temporary Number Portability. Customers with KNOLOGY of Tennessee, Inc. telephone numbers may also retain Company numbers when changing to another local service provider as long as the Customer service remains at the same address.

#### 4.8.2 Rates

See Rate Sheet.

## 4.9 TELECOMMUNICATIONS RELAY SERVICE

## 4.9.1 General

Telecommunications Relay Service (TRS) permits hearing and speech impaired users of Telecommunications Devices for the Deaf (TDD) to communicate with users of ordinary telephones. The Company concurs with the TRS rates, rules and regulations filed with the Tennessee Regulatory Authority.

#### 4.9.2 Restrictions

The following calls may not be placed through the Tennessee Relay Center:

- Calls to 976, 900 or 700 numbers
- Calls to time or weather recorded numbers
- Calls to other informational recordings
- Station sent paid calls from coin telephones
- Operator handled conference service and other teleconference calls

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### 4.10 INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Arrangements will be developed on a case-by-case basis in response to a bona-fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this Tariff. Rates quoted in response to such competitive request may be different than those specified for the services in this Tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis.

### 4.11 TEMPORARY PROMOTIONAL PROGRAMS

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges to introduce present or potential Customers to a service not presently received by the Customer(s).

## TABLE OF CONTENTS

	<u>]</u>	Page
<u>DEFIN</u>	<u>ITIONS</u>	. 2
5.1.1 5.1.2		
APPLI	CATION OF CHARGES	2
5.2.1 5.2.2		
<b>SCHEI</b>	DULE OF SERVICE CHARGES	5
TERM!	INATION CHARGE	6
PREMI	ISE VISIT CHARGE	6
5.5.1 5.5.2		
RETUI	RNED CHECK CHARGE	6
5.6.1 5.6.2	General Rates and Charges	
RESTO	ORATION OF SERVICE CHARGE	7
5.7.1 5.7.2	General Rates and Charges	

### 5.1 **DEFINITIONS**

#### 5.1.1 Account

A Customer's record relating to his/her service or equipment billed to a telephone number. Service may be located on one (1) or more premises as long as it is part of his/her main telephone system and billed to the main telephone number.

## 5.1.2 Service Charge Elements

## A. Service Order Charge

The Company's charge associated with the receipt, recording and processing of information in connection with a Customer's or Applicant's request for service to be provided to the same account, at the same time and on the same premise or continuous property. Service Order Charges are further classified as either primary or secondary.

## B. Customer Premise Visit Charge

The Company's charge associated with a trip to the Customer/Applicant's premise to comply with the Customer/Applicant's request to establish, to add to, or to rearrange service.

## 5.2 APPLICATION OF CHARGES

#### 5.2.1 General

- A. Service Charges are in addition to other rates and charges normally applied under this Tariff, and are applicable for all services furnished to the Customer as indicated throughout this Tariff except as modified hereinafter. Such charges apply in addition to, and not in lieu of, Installation Charges or Construction Charges associated with unusual costs incurred to establish service.
- B. The Service Charges specified in this Tariff are intended to cover costs incurred by the Company to establish, to add to, or to rearrange service as requested by the Customer.
- C. The Service Charges in this Section are applicable to work performed during normal working hours, on days of the week other than weekends or holidays. If the Customer requests that work be performed at hours outside of the normal business hours (9:00 a.m. to 5:00 p.m.) or business week (Monday Friday), or interrupts work once begun, an additional charge applies based on the additional costs incurred by the Company.

## 5.2 <u>APPLICATION OF CHARGES</u> (Cont'd)

## 5.2.1 General (Cont'd)

- D. Except as otherwise provided in this Section, all changes in location of Customer's equipment or service from one premise to another are treated as new service connections and the appropriate Service Charges will be applied.
- E. Service Charges may be required to be paid at the time of application for service, or upon presentation of a bill.
- F. Service Charges are not applicable for:
  - 1. moves or changes required for normal maintenance and repair of the Company's service;
  - 2. change or correction in billing name or address when there is not a change in responsibility and no connection, disconnection, move or change in the service;
  - 3. an upgrade or regrade of service for Company reasons;
  - 4. the connection of telephone sets or other terminal equipment when no line connection or central office access work is required;
  - 5. telephone number changes for Company reasons;
  - 6. the reestablishment of service at any location within the same exchange after the destruction or partial destruction of the Customer's premise by means beyond the control of the Customer, if service is established at a new location and the Customer later moves back to the old location, Service Charges will apply in connection with reestablishment of service at the old location;
  - 7. when existing Customers disconnect their Local Exchange Access Service;
  - 8. blocking access to 900 Service, provided that the blocking is requested either at the time the telephone service is established at a new number or within sixty (60) days of the establishment of the service;
  - 9. specific instances addressed in Section 6 of this Tariff.

# 5.2 APPLICATION OF CHARGES (Cont'd)

## 5.2.2 Specific Application of Service Charges

## A. Service Charges

- 1. Service Charges are applicable:
  - a. for requests to establish an account for initial connection of service;
  - b. for connection of additional local exchange access lines, private lines or detached access lines to an established service;
  - c. for changes and transfers of service involving a change in name and responsibility, except in the case of a surviving spouse who has established service;
  - d. for restoration of service disconnected for non-payment of telephone bills;
  - e. for subsequent requests for service, for restoration of service at the Customer's request, and for requests for change in class or grade of service;
  - f. for service ordered while that Customer has a pending service order and which requests services that cannot be included on the pending service order;
  - g. for additions, moves or changes of lines in the same building or in different buildings on the same premise;
  - h. for each telephone number changed at the Customer's request, including number changes to provide trunk hunting, no charge is applicable for a number change initiated by the Company;
  - i. for changes to a directory listing if a Customer requests this change more than once in a calendar year;
  - j. when two (2) or more segments of a local private line or detached access line are bridged in the central office, in this event, a Service Charge will apply for each segment of the affected line.

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## 5.2 APPLICATION OF CHARGES (Cont'd)

#### 5.2.2 Specific Application of Charges (Cont'd)

- Customer Premise Visit Charge В.
  - A Premise Visit Charge is applicable when a trip to the Customer's 1. premise is required to complete work requested by a Customer, as shown on the related Service Order.
  - Only one (1) Premise Visit Charge will apply in connection with 2. the same Service Order. Except when more than one (1) trip to the Customer's or Applicant's premise is necessary for Company reasons, the charge will apply if additional trips are necessitated by a Customer or an Applicant request.
  - A Premise Visit Charge is applicable when a trip to the Customer's 3. premise is required to arrange for the connection of or change to Customer-provided equipment.
  - 4. A Premise Visit Charge is not applicable to complete disconnection of service or a change in service or facilities initiated by the Company.

### 5.3 SCHEDULE OF SERVICE CHARGES

A.

Serv	rice Charges:	<b>Business</b>	Residence
1.	For connecting new or additional central office lines, per Service Order	See Rate Sheet	See Rate Sheet
2.	For moving or changing existing service and equipment or adding new or additional service and equipment other than central office lines, per Service Order	See Rate Sheet	See Rate Sheet
Mov	e and Change Charge:		

#### B.

See Rate Sheet. For rearrangement of drop wire and/or protector, a 1. Service Charge and Premise Visit Charge as specified elsewhere shall apply.

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### 5.4 TERMINATION CHARGE

When a Customer cancels an order for service prior to the establishment of service or the expiration of the initial contract period, a Termination Charge may be applicable.

## 5.5 PREMISE VISIT CHARGE

### 5.5.1 General

When a Customer trouble report requires a visit to the Customer premise by a Company repairman and it is found that the trouble is in the Customer-provided equipment, a non-recurring Premise Visit Charge will apply whether or not the Customer-provided equipment or inside wiring is legally connected to the facilities of the Company in accordance with the provisions of Section 10 of this Tariff. The Premise Visit Charge is also applicable when an employee is dispatched to a designated location to complete a Customer service request for the installation, move or change of service or equipment.

## 5.5.2 Rates and Charges

a. See Rate Sheet.

### 5.6 RETURNED CHECK CHARGE

#### 5.6.1 General

The Company will assess a charge for each instance where a check is returned or otherwise dishonored by a bank or equivalent business.

### 5.6.2 Rates and Charges

For the Service Charge per occurrence, see the Rate Sheet. Additionally, any other charges assessed to the Company by the financial institution will be applied to each check returned due to insufficient funds.

# 5.7 RESTORATION OF SERVICE CHARGE

## 5.7.1 General

When service is temporarily suspended for non-payment of charges and the service will be restored upon payment of past-due charges, as discussed in Section 4 of this Tariff. In addition, a Restoration of Service Charge will be applied.

## 5.7.2 Rates and Charges

See Rate Sheet.

## **BASIC LOCAL EXCHANGE SERVICE**

## TABLE OF CONTENTS

		<u>Page</u>
.1	LOCAL	L EXCHANGE RATES 2
	6.1.1	General
	6.1.2	Base Rates
	6.1.3	
	6.1.4	Rate Groups
	6.1.5	Telecommunications Relay Service Surcharge
.2	KUTAI	RY SERVICE 3
	6.2.1	General
	6.2.2	Rates
3	INTRA	LATA CALLING PLANS3
	6.3.1	General

## BASIC LOCAL EXCHANGE SERVICE

### 6.1 LOCAL EXCHANGE RATES

#### 6.1.1 General

Basic Local Exchange Service is provided by means of station, wire, switching and other facilities, plant and equipment to enable the establishment of telephone communications between stations in the same or different serving area at monthly rates as set forth below. The facilities, plant and equipment used to provide Basic Local Exchange Service are also used in the furnishing of toll telephone services at rates applicable for such services.

### 6.1.2 A. Base Rates

Residential

**Business** 

1-PARTY

See Rate Sheet See Rate Sheet

### **B. Residential Bundle Discount**

KNOLOGY is a Broadband Telecommunications Company offering local and long distance phone services along with cable television and high speed internet access. KNOLOGY offers a 5% discount to Residential Customers who currently subscribe to KNOLOGY's cable service. This discount applies to Total Local Service (dial tone and features).

#### C. Business Bundle Discount

KNOLOGY offers an additional five percent (5%) off of the tariffed One-Party Facilities-Based Line rate for Business customers which choose KNOLOGY as their primary interexchange carrier. This discount applies only to the tariffed line rate.

### 6.1.3 Local Calling Areas

Exchange

Local Calling Area

TO BE DETERMINED

#### 6.1.4 Rate Groups

For the purposes of this Tariff, the rate groups are defined as follows:

TO BE DETERMINED

### 6.1.5 Telecommunications Relay Service Surcharge

The Company is charging a surcharge for Telecommunications Relay Service

### **BASIC LOCAL EXCHANGE SERVICE**

### 6.1 LOCAL EXCHANGE RATES (Continued)

## 6.1.5 Telecommunications Relay Service Surcharge (Continued)

which is reflected in the Customer's total bill as ordered by the Tennessee Regulatory Authority. The Company concurs with the Telecommunications Relay Service rates, rules, and regulations filed with the Tennessee Regulatory Authority, together with any amendments or successive issues thereof, and makes itself a party to such rates, rules, and regulations.

Messages are rated from the rate center of the calling party to the rate center of the called party.

### 6.2 ROTARY SERVICE

#### 6.2.1 General

Rotary or Hunting Service is a central office service arrangement whereby a called busy line in a specified line group will automatically advance until an idle line or trunk is found.

#### **6.2.2** Rates

See Section 13.

### 6.3 INTRALATA CALLING PLANS

## 6.3 General

In resale situations the Company will provide the Customer with the same IntraLATA calling plan that the Customer received as a customer of the Incumbent Local Exchange Carrier (ILEC). The rates for the calling plans offered by the Company will match the plans being offered by the ILEC.

## **TABLE OF CONTENTS**

7.1.1	Provision of Directory Listings	
7.1.2	Primary Directory Listings	
7.1.3	Additional Directory Listings	
7.1.4	Non-published Number Service	
7.1.5	Non-listed Number Service	
7.1.6	Liability For Directory Listing Service	
7.1.7	Rates and Charges	

## 7.1 <u>DIRECTORY LISTINGS</u>

## 7.1.1 Provision of Directory Listings

- A. For each Customer of Company provided Local Exchange Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the incumbent Local Exchange Company in the area at no additional charge.
- B. At a Customer's option, the Company will arrange for additional listings at the rates set forth in this Tariff. See Rate Sheet.
- C. Listings are regularly provided in connection with all classes of exchange service unless the Customer subscribes to Non-Published Number Service.
- D. Directory listings are provided to aid in the use of telephone service through the identification of Customers' telephone numbers.
- E. The contract period for directory listings where the primary or additional listing appears in the directory is the directory period.
- F. Non-published Telephone Number Service is provided by the Company. This is a type of service where the Customer's telephone number is not included in the published directory, but is included in the information records and is provided by the directory assistance operator upon request.

## 7.1.2 Primary Directory Listings

A. Number of Listings Provided Without Charge

Except as provided in this Tariff, one (1) primary listing is provided without extra charge for each main service or for the first number in a group, when two (2) or more main station lines are consecutively operated.

# 7.1 <u>DIRECTORY LISTINGS</u> (Cont'd)

## 7.1.3 Additional Directory Listings

- A. The regular extra listing rates and conditions apply to each regular or special type of additional listing ordered by the Customer.
- B. Charges for additional listings begin on the date the information records are posted and are payable monthly in advance.
- C. Additional listing charges are automatically discontinued upon termination of the main service.
- D. Additional listings will have the same address as the primary listing. When, in the opinion of the Company, it appears necessary as an aid to the use of the directory and provided satisfactory service can be furnished, exceptions may be allowed.

## 7.1 **DIRECTORY LISTINGS** (Cont'd)

## 7.1.4 Non-Published Telephone Number Service

- A. Non-Published Telephone Number Service provides for the omission or deletion of a Customer's telephone number listing from the directory(ies).
- B. In the absence of gross negligence or willful misconduct, the Company assumes no liability for publishing a non-published telephone number. Where such telephone number is published in the directory, the Company's liability shall be limited to a refund of the Company's monthly charges applicable to Non-Published Telephone Number Service.
- C. The Customer indemnifies and saves the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by refusing to disclose a non-published telephone number upon request, or by the publication of a non-published telephone number in the telephone directory, or disclosing of such telephone number to any person.

## 7.1 **DIRECTORY LISTINGS** (Cont'd)

## 7.1.4 Non-Published Telephone Number Service (Cont'd)

- D. The rate for Non-Published Telephone Number Service does not apply to:
  - 1. additional service furnished to the same Customer who has other service listed in the directory at the same address.
  - 2. a Customer living in a hotel, hospital, retirement complex, apartment house, boarding house, or club if the Customer is listed under the telephone number of the Private Branch Exchange, Centrex or Paystation Service furnished to such establishments.
  - 3. service which is installed for a temporary period.
- E. A Customer residing in an E911 Service district forfeits the privacy afforded by Non-Published Telephone Number Service to the extent that the Customer's name, telephone number and the address associated with the service location are furnished to the E911 Service administrator, E911 Public Safety Answering Point (PSAP) or E911 Service database.

### 7.1.5 Non-listed Telephone Number Service

- A. A non-listed telephone number is one for which no listing appears in the alphabetical section of the directory. The number is listed in the information records and is given out upon request.
- B. A Service Connection Charge, as stated in Section 5.3 of this Tariff, applies to the establishment or change of non-listed telephone numbers.

## 7.1 **DIRECTORY LISTINGS** (Cont'd)

## 7.1.6 Liability For Directory Listing Service

- A. The Company shall not be liable for any error, omission, or other failure in connection with directory listings furnished without additional charge. The Customer agrees to hold the Company free and harmless of and from any claims, loss, damage, or liability which may result from such error, omissions, or other failures.
- B. The liability, if any, of the Company for any error, omission, or other failure in connection with directory listings furnished at an additional charge shall in no event exceed the charge for that listing during the effective life of the directory in which the error or omission is made.
- C. In accepting listings as prescribed by Applicants or Customers, the Company will not assume liability for the result of their publication in the directory nor will the Company be a party to controversies arising between Customers or others as a result of listings published in the directory.

## 7.1.7 Rates and Charges

### A. Recurring Monthly Rate

Primary Service Listing No Charge

Additional Listings See Rate Sheet

Non-Published Telephone Number Service See Rate Sheet

Non-Listed Telephone Number Service See Rate Sheet

## 7.1 <u>DIRECTORY LISTINGS</u> (Cont'd)

## 7.1.7 Rates and Charges (Cont'd)

- B. Service Charges
  - 1. See Section 5 of this Tariff for applicable Service Charges. A Secondary Service Charge applies for additions or changes in directory listings. For all orders to establish or change non-published telephone numbers a Service and Central Office Line Connection Charge applies.
  - 2. When directory listings are ordered at the same time as the initial installation of local access line service no additional Service Charges will be applied for the directory listing(s).

### 7.2 PROVISION AND OWNERSHIP OF DIRECTORIES

- A. One copy of local directories shall be distributed per access line, without charge. Additional directories including replacement of mutilated or destroyed directories will be furnished at the discretion of the Company at a reasonable rate.
- B. Telephone directories shall be issued approximately every twelve (12) months. The Company provides directories to assist in furnishing prompt and efficient service. The Company does not guarantee to its Customers correct listings therein. Every precaution is taken to prevent errors in, and omissions of, directory listings. The Company's liability for damages arising from errors or omissions is addressed in Section 7.1.5 of this Tariff.

### TABLE OF CONTENTS

	<u>Page</u>
CUSTO	M CALLING SERVICES 2
8.1.1 8.1.2	General Rates and Charges
LOCAL	DIRECTORY ASSISTANCE SERVICE 4
8.2.1 8.2.2	General Rates and Charges
TOLL 1	RESTRICTION SERVICES 5
8.3.1 8.3.2	
LOCAL	OPERATOR SERVICES 6
8.4.1	Rates and Charges
CUSTO	OM LOCAL AREA SIGNALING SERVICES (CLASS) 8
8.5.1 8.5.2	General Rates and Charges
PRIVA	TE BRANCH EXCHANGE (PBX) SERVICE 12
8.6.1 8.6.2	General Rates and Charges

### 8.1 CUSTOM CALLING SERVICES

#### 8.1.1 General

## A. Description of Features

### 1. Call Forwarding

Call Forwarding enables a station user to divert all incoming calls to another directory number. Call Forwarding is activated by first dialing a code, then the telephone number to which calls are transferred. Activation, deactivation and the forward-to destination are controlled by the station user. While in the active state, a reminder tone is generated to the line with the Call Forwarding Service as each call is transferred.

## 2. Call Waiting

Call Waiting provides a burst of tone to inform a station user with a call already in progress that another call is waiting to be answered. The station user may answer the waiting call by hanging up or hitting the switch hook.

## 3. Cancel Call Waiting

Cancel Call Waiting allows a station user, on a per-call basis, to deactivate Call Waiting by dialing an access code.

## 4. Call Forwarding – Remote Access

Call Forwarding – Remote Access allows Customers to activate their call forwarding feature from locations other than their base telephone to make forwarding changes.

### 5. Three-Way Calling

Three-Way Calling allows a station user to add a third (3<sup>rd</sup>) party to the existing call, enabling a simultaneous conference between parties at multiple locations. If multiple parties of the conversation subscribe to this service, each may establish an additional line, to a maximum of six (6)lines.

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## 8.1 <u>CUSTOM CALLING SERVICES</u> (Cont'd)

### 8.1.2 General (Cont'd)

## B. Description of Features (Cont'd)

## 6. Speed Calling

Speed Calling enables a station user to call a list of up to eight (8) preselected directory numbers by dialing one (1) digit codes instead of the directory numbers.

## 8.1.2 Rates and Pricing

### A. Bundled Features

The following items are priced in bundled packages which allow discounts when more than one (1) feature is purchased. This list is detailed in Section 13.

Anonymous Call Rejection
Automatic Recall
Distinctive Ringing
Selective Call Rejection
Speed Dialing
Intelli-Ring

Automatic Call Back Call Forwarding Selective Call Acceptance Selective Call Forwarding Three-Way Calling

	Per Line Monthly Rate
Price for one (1) individual feature	See Rate Sheet
Price for each additional feature	See Rate Sheet
Maximum price for five (5) or more features	See Rate Sheet

### B. Other Features

1.	Calling Number Identification	See Rate Sheet
2.	Calling Name and Number Identification	See Rate Sheet
3.	Voice Mail	See Rate Sheet
4.	Call Waiting	See Rate Sheet
5.	Smart Choice (All of the Above)	See Rate Sheet
6.	Call Forward – Busy Line	See Rate Sheet
7.	Call Forward – Don't Answer	See Rate Sheet

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### 8.2 LOCAL DIRECTORY ASSISTANCE SERVICE

### 8.2.1 General

- A. Local Directory Assistance Service is furnished to Customers who request assistance in determining directory information.
- B. No charge applies to visually handicapped or physically handicapped individuals who present a certificate signed by a physician or issued by an agency recognized by the State of Georgia as having the authority to certify the existence of such handicaps.
- C. Charges for directory assistance are not applicable to calls placed from public or semi-public pay stations, or from hospitals and hotel guest room.
- D. No credit will be given for requested listings that are nonpublished or nonlisted. No credit will be given for requested listings that are not found in the Company's directory assistance records.

## 8.2.2 Rates and Charges

A. Rates

See Rate Sheet.

## 8.3 TOLL RESTRICTION SERVICE

#### 8.3.1 General

- A. Toll Restriction Service is an optional service that prevents the origination of unauthorized toll calls from a Customer's line, by means of blocking at the Company's central office.
- B. This arrangement denies all outgoing calls starting with the digit "1" or "0".
- C. All local calls will be permitted from the Customer's line.
- D. All local calls to directory assistance will be permitted, except those that require 1+ or 0+ dialing.
- E. This service will not block all toll calls a Customer might make or receive, such as collect calls and/or long distance calls placed by dialing digits other than "1" (i.e., 976, if available).
- F. The Customer accepts full responsibility for denial of access to the toll network.
- G. The Customer accepts full responsibility for collect calls and/or long distance calls placed by dialing digits other than "1" or "0".
- H. The Customer holds the Company harmless from any and all liabilities and/or damages which may be alleged or incurred by the use of toll restriction, acceptance of collect calls, and/or long distance calls placed by dialing digits other than "1" or "0".
- I. This service is available only where facilities permit.

### 8.3.2 Rates and Charges

A. The following rates and charges apply in addition to the established rates and charges for each access line with which these features are associated.

**Monthly Rate** 

Per access line:

Toll Restriction allow local & 800

See Rate Sheet

### **8.3** TOLL RESTRICTION SERVICE (Cont'd)

- **8.3.2** Rates and Charges (Con't)
  - B. Service Charges
    - 1. If Toll Restriction Service is ordered at the time of initial installation of local service no additional Service Order Charge will be applied for installation of Toll Restriction Service.

## 8.4 OPERATOR ASSISTED LOCAL CALLS

- 8.4.1 Operator Assisted Charges
  - A. All types of Local Exchange Service have local calling areas as specified in Section 6 of this Tariff which are the areas that can be called on a flat rate basis (no charge for individual calls) or on a local coin call rate basis.
  - B. Local dial call: The call must be dialed and completed without the assistance of an operator and must be billed to the originating telephone when a charge is applicable.
  - C. The following Service Charges for operator assisted local calls apply in addition to the local dial rate applicable.
    - 1. Station-to-Station customer dialed credit card local call

Nonrecurring Charge See Rate Sheet

a. Each call

- 2. Station-to-Station operator assisted sent-paid, collect, third number, and non-customer-dialed credit card calls
  - a. Each call

Nonrecurring Charge See Rate Sheet

7

3. Person-to-person operator assisted local call

Nonrecurring Charge

a. Each call

See Rate Sheet

## 8.4 **OPERATOR ASSISTED LOCAL CALLS** (Cont'd)

## 8.4.1 Operator Assisted Charges (Cont'd)

- D. Service Charges do not apply for the following Operator Assisted Local Calls:
  - 1. Calls to designated Company numbers for official telephone business;
  - 2. Emergency calls to recognizable authorized civil agencies; or
  - 3. Those cases where an operator provides assistance to:
    - a. re-establish a call which has been interrupted after the calling number has been reached;
    - b. reach the calling telephone number where Companyprovided facility problems prevent customer dial completion; or
    - c. place a sent-paid call for a calling party who identifies himself/herself as being handicapped and unable to dial the call because of his/her handicap.

### 8.5 CUSTOM LOCAL AREA SIGNALING SERVICES (CLASS)

#### 8.5.1 General

A. Custom Local Area Signaling Services (CLASS) are enhanced services associated with Signal System Seven (SS7).CLASS is furnished only in connection with individual line service exclusive of Semi-public Telephone Service and business line service on which the Customer Premise Equipment (CPE) is a coin operated instrument.

### B. Description of Features

## 1. Anonymous Call Rejection

Anonymous Call Rejection allows a Customer with Calling Number Delivery to block any incoming call which does not come through with an identifiable name or number

#### 2. Automatic Call Back

Automatic Call Back is an ongoing call management feature which will enable the Customer to have the system redial the last number called from his/her station. This will apply regardless of whether the original call was answered, unanswered, or encountered a busy tone. The system will monitor the calling and called lines and will attempt to connect the call for up to thirty (30) minutes. The activation of this feature can be canceled by the Customer when desired

#### 3. Automatic Recall

Automatic Recall is an incoming call management feature which will enable a Customer to have a call setup performed automatically to the calling party of the last incoming call. This will apply whether the incoming call was answered, unanswered, or encountered a busy tone. This feature is available with level one or level two activation. At level two, the Customer can receive an announcement stating the directory number of the last incoming call before the call set-up is completed. This will allow the Customer to decide if he/she wishes to proceed with the call or to drop the request.

## 8.5 CUSTOM LOCAL AREA SIGNALING SERVICES (CLASS) (Cont'd)

### 8.5.1 General (Cont'd)

## B. Description of Features (Cont'd)

## 4. Calling Number Delivery (Caller ID)

Calling Number Delivery (Caller ID) will enable the Customer to receive the time, the date and the calling number on an incoming call. The number will be delivered to the called party's CPE in the interval between the first (1<sup>st</sup>) and second (2<sup>nd</sup>) ring. The calling number will remain for the duration of the call and can be viewed from the display of the CPE.

## 5. Calling Name and Number Delivery

Calling Name and Number Delivery will enable the Customer to receive the name of the caller, the time, the date and the calling number on an incoming call. The number will be delivered to the called party's CPE in the interval between the first (1<sup>st</sup>) and second (2<sup>nd</sup>) ring. The displayed name is the name associated with the calling party number.

#### 6. Calling Number Delivery Blocking

Calling Number Delivery Blocking will allow the calling party to suppress a directory number such that the called party with Calling Number Delivery does not receive the information. The called party will receive a "private" message instead of the calling party's directory number. To activate this feature, there must be a two (2) digit code for touch tone, and four (4) digit for rotary dialed prior to placing a call. Calling Number Delivery Blocking on a per line basis is also available. This feature blocks Calling Number Delivery on all calls without the necessity of dialing a code with each call.

### 7. Customer-Originated Trace

Customer-Originated Trace allows the Customer to initiate a trace on the last incoming call. The results of the trace will not be provided directly to the Customer initiating the trace. The trace log will be printed at the Telephone Company or at some designated law enforcement agency premise. The Customer will contact this agency to determine further action to be taken. The Customer with

## 8.5 CUSTOM LOCAL AREA SIGNALING SERVICES (CLASS) (Cont'd)

## 8.5.1 General (Cont'd)

## B. Description of Features (Cont'd)

## 7. Customer-Originated Trace (Continued)

this feature assigned as a station option will dial an activation code to activate the feature. The call will be traced automatically, and the originating directory number and the time the call was made will be forwarded to the predetermined location.

### 8. Distinctive Ringing

Distinctive Ringing is an incoming call management feature which will allow the Customer to define directory numbers that will provide the Customer with special incoming call treatment. Any incoming calls on this list will be indicated by a distinctive ringing pattern or a distinctive Call Waiting tone, if applicable. Terminating calls from telephone numbers which are not on the list, or which cannot be identified, will be given standard treatment.

## 9. Selective Call Acceptance

Selective Call Acceptance will allow Customers to define a list of calling directory numbers that will be accepted. Any calling numbers not on that list will be routed to announcements and rejected. The calling party not on the acceptance list will receive an announcement stating that the call is not presently being accepted by the called party. Customers can review and change the list of accepted directory numbers as desired.

### 10. Selective Call Forwarding

Selective Call Forwarding will allow the Customer to have certain terminating calls forwarded to a designated remote station. The activity will occur whenever a call is received from a telephone number which has been indicated on a list of numbers, referred to as the Selective Call Forwarding screening list. Terminating calls from telephone numbers which cannot be identified or have not been indicated on the list will be given standard terminating treatment.

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# MISCELLANEOUS SERVICE ARRANGEMENTS

# 8.5 CUSTOM LOCAL AREA SIGNALING SERVICES (CLASS) (Cont'd)

#### 8.5.1 General (Cont'd)

#### B. Description of Features (Cont'd)

#### 11. Selective Call Rejection

Selective Call Rejection will allow the Customers to define a list of, at a maximum of six (6), directory numbers to be screened. Any calling numbers on this list will be routed to announcements and rejected. All other calls will be treated normally. The calling party on the rejection list will receive an announcement stating the call is not presently being accepted by the called party.

# 12. Intelli-Ring

Intelli-Ring service will allow a Customer to have up to two telephone numbers with a single line. Customers subscribing to this service will be able to receive a call dialed to two separate telephone numbers without having a second line. A distinctive ringing pattern will be provided for each of the additional telephone numbers to facilitate identification of incoming calls. A distinctive call waiting tone for each additional telephone number will be provided, where facilities permit, to customers subscribing to call waiting service.

#### 13. Call Forward – Busy Line (Not included in Smart Choice)

This feature provides for calls terminating to a subscriber's busy telephone number to be forwarded to another telephone number on a premises other than the provisioned premises. The customer selected forward-to telephone number is preprogrammed at the time service is established and can only be changed via service order.

#### 14. Call Forward – Don't Answer (Not included in Smart Choice)

This feature provides for calls terminating to a subscriber's idle telephone number to be forwarded, after a customer-preselected interval, to another telephone number. The customer selected forward-to telephone number and specified interval are preprogrammed at the time service is established and can only be changed via service order.

#### 8.5.2 Rates and Charges

Rates and Charges for CLASS Features.....See Rate Sheet

Issued: Effective:

# MISCELLANEOUS SERVICE ARRANGEMENTS

#### 8.6 PRIVATE BRANCH EXCHANGE (PBX) SERVICE

#### 8.6.1 General

Private Branch Exchange (PBX) service provides an arrangement of switching equipment and stations for intercommunicating among the stations and for connections through the local and long distance telephone network to other subscribers.

PBX trunk line rates apply to all central office lines terminated in PBX switching equipment, Automatic Call Distributors, a common group of pooled lines connected to customers' equipment and to other such services as specifically covered in this Tariff.

#### 8.6.2 Rates

See Rate Sheet for Rates and Charges

Issued: Effective:

# TABLE OF CONTENTS

			<u>Page</u>
9.1	SPECI UNUSI	AL CHARGES FOR TEMPORARY, SPECULATIVE, OR UAL CONSTRUCTION	2
	9.1.1 9.1.2	General Application of Special Charges	
9.2	<u>SPECI</u>	AL CONSTRUCTION	3
	9.2.1 9.2.3	Private Property Underground Service Connections	
9.3	<u>SPECI</u>	AL SERVICE ARRANGEMENTS	5
	9.3.1 9.3.2	General Computation of Rates and Charges	

Issued:

# 9.1 <u>SPECIAL CHARGES FOR TEMPORARY, SPECULATIVE OR UNUSUAL CONSTRUCTION</u>

#### 9.1.1 General

- A. Facilities of the Company may, at the Company's discretion, be extended in accordance with the provisions of this Section. Special Charges may be applied in addition to the Usual Service Connection Charges and monthly rates. Special Charges apply primarily when unusual investment or expense will be incurred by the Company, such as when:
  - 1. conditions require, or the Customer requests the provision of special equipment, unusual or non-standard methods of plant construction, installation or maintenance or a move of Company facilities;
  - 2. the Customer's location requires the use of costly private right-of-way; or
  - 3. the proposed service is of a temporary nature and the plant to be used for such service would not all be of value to the Company in the general conduct of its business upon discontinuance of that service.
- B. The Company will retain title to all plant constructed, as specified within this Tariff, whether provided wholly or partially at a Customer's expense.
- C. The Customer is required to pay all Construction Charges made by another Telephone Company providing facilities connecting with the facilities of the Company.
- D. Applicants may be required to make nonrefundable advance payments to cover all or a portion of the excess Construction Charges for Exchange Service or Special Service Arrangements when in the opinion of the Company there is evidence of credit risk. A cash deposit may also be required as discussed under Section 4 of this Tariff.
- E. When attachments are made to poles of other companies, instead of providing construction for which the Customer would be charged under the provisions of this Section, the Customer shall pay the Company's cost for such attachments.
- F. Line extensions and special service arrangements are further subject to the regulations specified in the Tariffs of this Company.

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# 9.1 <u>SPECIAL CHARGES FOR TEMPORARY, SPECULATIVE OR UNUSUAL CONSTRUCTION</u> (Cont'd)

#### 9.1.2 Application of Special Charges

- A. Temporary Construction The Customer shall be charged the estimated cost of construction and removal of the plant which would not be of value to the Company, less the estimated net recovery value of the material used. The Company may require the Customer to pay the cost of construction plus the cost of removal, less salvage, for temporary construction performed in advance of permanent construction or to provide temporary service.
- B. Power Requirements for Radio Service At the Company's discretion, Radio Service may be used to provide the Customer's telephone service. If telephone service will be provided by radio equipment, the Customer will be responsible for ensuring that AC power is available to the Company for connection at the primary service location. The Customer will be responsible for any and all Installation and Monthly Charges incurred for the provision of such power.

If natural or man-made obstructions, in or around the primary service location, would prevent or interfere with the accurate reception and operation of the radio equipment, the Company will pay for the construction of additional power facilities to a suitable alternate radio location. The Company will be responsible for reasonable construction costs; however, the Customer will be responsible for upkeep and payment of any Monthly Power Charges incurred at the primary residence and alternate power locations.

# 9.2 SPECIAL CONSTRUCTION

# 9.2.1 Private Property

- A. An average amount of entrance and distribution facilities will be furnished by the Company provided the facilities are of the standard type normally furnished for the particular location or kind of service.
- B. The Applicant may be required to pay the costs over and above those applicable for a normal installation:

If additional entrance or distribution facilities are required; if the conditions are such as to require special facilities, maintenance or methods of construction; if the installation is for a temporary or semi-permanent purpose; or if for any other reason the construction costs are excessive as compared with the revenue to be derived.

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# 9.2 <u>SPECIAL CONSTRUCTION</u> (Cont'd)

#### 9.2.1 Private Property (Cont'd)

C. The Customer will provide the Company upon request and without charge written permission for the placing of the Company's facilities on the property.

#### 9.2.2 Underground Service Connections

- A. When Customers request underground service connections instead of aerial drop wires which would ordinarily be used to reach the Customer's premise, or when aerial facilities are used to provide service or channels to a Customer and the Customer subsequently requests that such facilities be placed underground, the following regulations apply:
  - 1. Where cable is to be placed in conduit, the underground conduit shall be constructed and maintained by or at the expense of the Customer. The underground conduit shall be constructed in accordance with plans and specifications furnished by the Company;
  - 2. The duct or ducts required in the underground conduit by the Company to furnish service shall be reserved for its exclusive use;
  - 3. Where cable is laid in a trench at the Customer's request, the trench shall be constructed and back filled under the Company's supervision and by or at the Customer's expense;
  - 4. Cable installed in conduit will be maintained and replaced at the expense of the Company where the conduit has been inspected in place by the Company and approved, but repairs or replacements of cable in the conduit or trench made necessary by damage caused by the Customer or his representatives will be made only at the Customer's expense;
  - 5. Where facilities are changed from aerial to buried or underground, in addition to the above, the Customer is charged the cost of dismantling and removing the aerial facilities;
  - 6. Except as otherwise provided herein, the regulations in this Tariff contemplate that the type of construction required to provide the quantity and class of service involved will be determined by the Company. The Applicant may be required to pay additional costs involved where a different type of construction than that proposed by the Company is desired; and

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# 9.2 <u>SPECIAL CONSTRUCTION</u> (Cont'd)

# 9.2.2 Underground Service Connections (Cont'd)

#### A. (Cont'd)

7. When a special type of construction other than those covered preceding is desired by the Customer or when the individual requirements of a particular situation make the construction unusually expensive, the Customer is required to bear the excess cost of such construction. Any special maintenance expense that may from time to time occur will be borne by the Customer except that maintenance of buried service wire, including associated trenching where required, will be at the expense of the Company.

# 9.3 SPECIAL SERVICE ARRANGEMENTS

#### 9.3.1 General

A. If the requirements of Customers cannot be met with the regularly offered service arrangements, Special Service Arrangements may be furnished by the Company, where practical, at charges equivalent to the estimated cost of such equipment and arrangements provided it is not detrimental to any of the services furnished under the Company's Tariffs.

# 9.3.2 Computation of Rates and Charges

- A. Rates for Special Service Arrangements are equivalent to the estimated costs of furnishing the Special Service Arrangement.
- B. Estimated cost consists of an estimate of the total cost to the Company in providing the Special Service Arrangement including:
  - 1. cost of maintenance;
  - 2. cost of operation;
  - depreciation on the estimated installed cost of any facilities used to provide the Special Service Arrangement based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
  - 4. general administration expenses, including taxes on the basis of average charges for these items;

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# 9.3 **SPECIAL SERVICE ARRANGEMENTS**

#### 9.3.2 Computation of Rates and Charges (Cont'd)

- 5. any other item of expense associated with the particular Special Service Arrangement; and
- 6. an amount, computed on the estimated cost installed of the facilities used to provide the Special Service Arrangement, for return on investment.
- C. Estimated installed cost mentioned above includes cost of equipment and materials provided or used plus the estimated cost of installing, including engineering, labor, supervision, transportation, rights-of-way, and other items which are chargeable to the capital accounts.
- D. Special Service Arrangement rates are subject to review and revision conditioned upon changing costs.
- E. At such time as a Special Service Arrangement becomes a Tariff offering, the Tariff rate or rates will apply from the date of Tariff approval.
- F. The following rate treatments may be used in connection with charges for Special Service Arrangements.
  - 1. Monthly rental and termination agreement with or without an Installation Charge.
  - 2. Monthly rental with or without an Installation Charge.
  - 3. Installation Charge only.

Issued:

#### **TABLE OF CONTENTS**

			<u>Page</u>
10.1	CONNI	ECTIONS ON CUSTOMER PREMISE	2
	10.1.1 10.1.2	General Responsibility of the Company	
	10.1.3 10.1.4	Liability of the Company Responsibility of the Customer	
	10.1.5	Connection at Hazardous or Inaccessible Locations	
	10.1.6	Connections of Registered Equipment	
10.2	RECOR	RDING OF TWO-WAY TELEPHONE CONVERSATIONS	7
	10.2.1	General	
10.	SERVIC	CE CHARGES	8
	10.3.1 10.3.2	Maintenance Service Charge	
	10.3.2	Failure of Acceptance Tests Line Conditioning or Treatment	
	10.3.4	Damages to Facilities	

Issued: Effective:

# 10.1 <u>CONNECTION ON CUSTOMER PREMISE</u>

#### 10.1.1 General

Terminal equipment, inside wiring and/or communications systems may be connected at the Customer's premise to facilities furnished by the Company for telecommunications services, subject to the conditions and rates set forth in this Section and as otherwise provided in this Tariff.

# 10.1.2 Responsibility of the Company

- A. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided terminal equipment, inside wiring or communications system. Telecommunications services are not represented as adapted to the use of all types of terminal equipment or communications systems. Where terminal equipment or communication systems are used with telecommunications services, the responsibility of the Company shall be limited to the furnishing of service components suitable for telecommunications services and to the design, maintenance and operation of service components in a manner proper for such service. Subject to this responsibility, the Company shall not be responsible for (1) the through transmission of signals generated by the terminal equipment or communications systems or for the quality of, or defects in, such transmission, (2) the reception of signals by terminal equipment or communications systems, or (3) address signaling where such signaling is performed by signaling equipment.
- B. At the Customer's request the Company will provide information concerning interface parameters, including the number of ringers which may be connected to a particular telephone line, needed to permit terminal equipment to operate in a manner compatible with telecommunications services.
- C. The Company may make changes in its telecommunications service, equipment, operations or procedures, where such action is not inconsistent with Part 68 of the FCC rules. If such changes can be reasonably expected to render any Customer's terminal equipment incompatible with telecommunications service, require modification or alteration of such premise equipment, or otherwise materially affec

#### 10.1 CONNECTION ON CUSTOMER PREMISE (Cont'd)

#### 10.1.2 Responsibility of the Company (Cont'd)

D. The Company shall not be responsible to the Customer if such changes, which are not inconsistent with Part 68 of the FCC Rules and Regulations, renders the Customer-provided terminal equipment, protective circuitry, or communications systems obsolete or require modification or alteration of such equipment.

# 10.1.3 Liability of the Company

- A. The Company will not be responsible for any loss, damage or any impairment or failure of service arising from, or in connection with, the use of terminal equipment.
- B. The Company will not be liable for damages arising out of injuries to persons or property caused by the Customer-provided terminal equipment from voltages or currents transmitted over the facilities of the Company.

#### 10.1.4 Responsibility of the Customer

- A. Upon request of the Company, the Customer shall give proper notice of intention to the Company when connection of terminal equipment or protective circuitry is made. The Customer also shall provide to the Company the line(s) to which such connection is to be made, the FCC Registration Number and the Ringer Equivalence of the registered terminal equipment or registered protective circuitry, so as to comply with the FCC Rules and Regulations.
- B. The operating characteristics of Customer-provided terminal equipment, inside wiring or communications systems shall be such as to not interfere with any of the services offered by the Company, and shall conform to the network protection criteria set forth in this Section. In addition, terminal equipment and facilities shall be operated within the limits set forth below:
  - 1. The safety of Company employees or the public cannot be endangered.
  - 2. Operation of the equipment and facilities cannot damage, require change in, or alteration of, the equipment or other facilities of the Company.
  - 3. No interference with the proper functioning of Company equipment or facilities.

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# 10.1 **CONNECTION ON CUSTOMER PREMISE** (Cont'd)

#### 10.1.4 Responsibility of the Customer (Cont'd)

- B. (Cont'd)
  - 4. The operation of the equipment and facilities cannot impair the operation of the Company's facilities or otherwise injure the public in its use of the Company's services.
- C. Upon suitable notification to the Customer, the Company may make such tests and inspections as may be necessary to determine that the above requirements are being fulfilled in connection with the installation, operation and maintenance of customer-owned facilities or equipment. The Company may interrupt the connection if at any time such action should become necessary in order to protect any of its services because of departure from these requirements.
- D. Upon notice from the Company that the terminal equipment of the Customer is causing or is likely to cause hazard or interference, the Customer shall make such changes as may be necessary to remove or prevent such hazard or interference, and shall confirm in writing to the Company within ten (10) days following receipt of notice from the Company that such changes have been made. When immediate action is required to protect the Company's facilities from hazards caused by terminal equipment, the Company may immediately take such action as is necessary without prior notice to the Customer. As soon as possible after such action is taken, the Company will inform the Customer of the nature of the hazard and the type of remedial action taken. Failure of the Customer to remove the hazard or make remedial changes in the terminal equipment or to give the required written confirmation to the Company shall result in suspension of the Customer's service until such time as the Customer complies with the provisions of this Tariff.
  - E. The Customer indemnifies and saves the Company harmless against claims for infringements of patents arising from combining terminal equipment used in connections with facilities of the Company.

#### 10.1.5 Connection at Hazardous or Inaccessible Locations

Terminal equipment and facilities which serve a location which the Company considers impractical to serve because of hazard or inaccessibility may be used or connected with facilities of the Company for telecommunications service through connecting equipment furnished by the Company.

Issued: Effective:

# 10.1 <u>CONNECTION ON CUSTOMER PREMISE</u> (Cont'd)

# 10.1.6 Connections of Registered Equipment

A. Registered Terminal Equipment, Registered Protective Circuitry and Registered Communications Systems

Registered terminal equipment, protective circuitry, and communications systems may be directly connected at the Customer's premise to the telecommunications network, subject to Part 68 of the FCC Rules, and the provisions of this Tariff.

All combinations of registered equipment and associated non-registered terminal equipment (including but not limited to wiring) shall be installed, operated and maintained so that the requirements of Part 68 of the FCC Rules are continually satisfied. The Company may discontinue service or impose other remedies as provided for in Part 68 for failure to comply with these provisions.

- B. Premise Wiring Associated With Registered Communications Systems
  - 1. Protected premise wiring requiring acceptance testing for imbalance is premise wiring which is electrically behind registered equipment, system components or circuitry which assure that electrical contact between the wiring and commercial power wiring will not result in hazardous voltages to the Company's facilities.
  - 2. Unprotected premise wiring is all other premise wiring.

Customers who intend to connect premise wiring other than fully-protected premise wiring to the telephone network shall give advance notice to the Company and comply with the procedures specified in Part 68 of the FCC Rules, or as otherwise authorized by the FCC.

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#### 10.1 <u>CONNECTION ON CUSTOMER PREMISE</u> (Cont'd)

#### 10.1.6 Connections of Registered Equipment (Cont'd)

- 3. The Company may invoke extraordinary procedures as specified in Part 68 of the FCC Rules where one or more of the following conditions are present:
  - a. information provided in the installation supervisor's affidavit gives reason to believe that a violation of Part 68 is likely;
  - b. a failure has occurred during acceptance testing for imbalance; or
  - c. harm has occurred and there is reason to believe that this harm was a result of wiring operations performed under Part 68.
- 4. In addition, the Company may monitor or participate in acceptance testing for imbalance, or may inspect other than fully-protected premise wiring installations as set forth in Part 68 of the FCC Rules.

# C. Connections Involving National Defense and Security

In certain cases, Part 68 of the FCC Rules permits the connection of unregistered terminal equipment or communications systems to the telecommunications network, provided that the Secretary of Defense, the head of any other governmental department (having requisite FCC approval), or their authorized representative certifies in writing to the Company that:

- 1. the connection is required in the interest of national defense and security;
- 2. the equipment to be connected either complies with the technical requirements of Part 68 or will not cause harm to the telecommunications network or Company employees; and
- 3. the work is supervised by an installation supervisor who meets the qualifications stated in Part 68.

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# 10.2 RECORDING OF TWO-WAY TELEPHONE CONVERSATIONS

#### 10.2.1 General

- A. Telecommunications services are not represented as adapted to the recording of two (2) way telephone conversations. However, voice recording equipment may be directly, acoustically or inductively connected with telecommunications services as follows:
  - 1. a distinctive recorder tone that is repeated at intervals of approximately fifteen (15) seconds is required when recording equipment is in use and is connected with services of the Company; or
  - 2. all parties to the telephone conversation must give their prior consent to the recording of the conversation. The prior consent must be obtained in writing, or be part of, and obtained at the start of the recording.
- B. The voice recording equipment shall be so arranged that, at the will of the user, it can be physically connected to and disconnected from the services of the Company or switched on and off.
- C. A broadcast licensee shall be exempt from the above recording requirements provided at least one (1) of the following requirements is met:
  - (a) the licensee informs each party to the call of its intent to broadcast the conversation;
  - (b) each party to the call is aware of the licensee's intent to broadcast the call; or
  - such awareness of the licensee's intent to broadcast the call may be reasonably imputed to the party.
- D. The Federal Communications Commission has established exceptions to these requirements in cases of recording of: calls to and from emergency numbers involving health, safety, police, public utilities and road service; calls made by the U.S. Department of Defense Emergency Command Centers and U.S. Nuclear Regulatory Commission Operations Centers; calls made from patently unlawful purposes (such as bomb threats, kidnap ransom requests and obscene telephone calls); calls made by the U.S. Secret Service concerning Presidential security; and calls made by law enforcement or intelligence authorities acting under color of law.

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# 10.3 **SERVICE CHARGES**

# 10.3.1 Maintenance Service Charge

If a Company employee makes a repair visit to the Customer's premise where it is determined that the service difficulty results from the terminal equipment, inside wiring or a communications system, the Customer shall be responsible for payment of a Maintenance Service Charge as shown in Section 5 of this Tariff.

# 10.3.2 Failure of Acceptance Tests

If the premise wiring of communications systems fails acceptance tests monitored by, or participated in by, the Company as provided for in the FCC's code and/or if the wiring has caused harm to the network, the Customer shall agree to pay the Company an amount based on the costs of activities performed by its employees.

# 10.3.3 Line Conditioning or Treatment

Should a Customer's line require treatment or conditioning other than that which would normally be required to operate a local loop because of the connection of Customer premise equipment or transmission of data, the Customer will be required to bear the cost that exceeds normal engineering standards for local loops. The cost will be determined on an individual cost basis.

# 10.3.4 Damages to Facilities

Customers providing their own premise equipment shall reimburse the Company for the cost of damages or changes requested by the Customer to facilities or equipment of the Company, caused by the negligence or willful act of the Customer or resulting from improper use of Company facilities, or due to the malfunction of any facilities or equipment provided by other than the Company.

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KNOLOGY	of Tennessee,	Inc.
Section 11	·	

T.R.A. Tariff No. 1

Original Page 1

11.1	RATE SHEET

Issued: Effective:

ltem	Tariff Reference	Rat	e Group One
Connection, New Service, Residential		\$	10.00
Connection, New Service, Business		\$	30.00
Additional Line, Residential		\$	15.00
Additional Line, Business		\$	41.20
Service Move or Change, Residential		\$	8.00
Service Move or Change, Business		\$	15.00
Termination Charge - Business (per line charge)		\$	100.00
Premise Visit Charge		\$	45.00
Returned Check Charge		\$	20.00
Service Restoration, Residential		\$	20.00
Service Restoration, Business		\$	50.00
1-Party Service, Residential		\$	14.60
1-Party Service, Business - On-Net		\$	41.20
Rotary Service, Residential		S	5.00
Rotary Service, Business		\$	10.00
Additional Alpha Listing, Residential		\$	1.05
Additional Alpha Listing, Business		\$	1.55
Foreign Directory Listing, Residential		\$	1.05
Foreign Directory Listing, Business		\$	1.55
Non-Listed telephone Number, Residential		\$	1.30
Non-Listed telephone Number, Business		\$	1.30
Non-Published Number, Residential		\$	2.50
Non-Published Number, Business		\$	2.50
Custom Calling Features / CLASS  The following features are treated as a group: Anonymous Call Rejection - Residential		•	• • •
Anonymous Call Rejection - Business		\$	3.00
Automatic Call Back - Residential		\$	4.00
Automatic Call Back - Business		\$ \$	3.00
Automatic Recall - Residential		\$ \$	4.00
Automatic Recall - Business		\$ \$	3.00
Call Forwarding - Residential		\$	4.00
Call Forwarding - Business		3 S	3.00
Distinctive Ringing - Residential		3 S	4.00
Distinctive Ringing - Business		\$	3.00 4.00
Selective Call Acceptance - Residential		s \$	3.00
Selective Call Acceptance - Business		\$	
Selective Call Forwarding - Residential		\$	4.00 3.00
Selective Call Forwarding - Business		\$	
Selective Call Rejection - Residential		\$	4.00 3.00
Selective Call Rejection - Business		\$	4.00
Intelli-Ring - Residence		\$ \$	
Intelli-Ring - Business		\$ \$	3.00
Speed Calling (8) - Residential		\$ \$	6.00
Speed Calling (8) - Business		\$	3.00 4.00
Three-Way Calling - Residential		\$	
Three-Way Calling - Business		\$	3.00 4.00
			4.00
rrice for first feature (Residential Only)		₹.	3.00
Price for first feature (Residential Only) Price each for additional feature (Residential Only)		\$ \$	3.00 1.00

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# T.R.A. Tariff No. 1 Original Page 3

ltem	Tariff Reference	Ra	te Group One
Calling Number Identification - Residential		\$	5.00
Calling Number Identification - Business		\$	8.00
Calling Name & Number Identification - Residential		\$	6.00
Calling Name & Number Identification - Business		\$	9.00
Call Waiting with Cancel Call Waiting - Residential		\$	3.00
Call Waiting with Cancel Call Waiting - Business		\$	3.50
Voice Mail - Residential		\$	6.00
Voice Mail - Business		\$	6.00
Residential Smart Choice (All Features)		\$	15.00
Call Forwarding - Remote Access - Residential		\$	5.00
Call Forwarding - Remote Access - Business		\$	7.50
Call Forwarding - Busy Line - Residential		\$	1.00
Call Forwarding - Busy Line - Business		\$	3.50
Call Forwarding - Don't Answer - Residential		\$	1.00
Call Forwarding - Don't Answer - Business		\$	3.50
Local Directory Assistance Calls		\$	0.50
Toll Restriction			Free
Station to Station customer dialed local credit card call		\$	1.15
Station to station operator assisted local call		\$	1.15
Person to person operator assisted local call		\$	3.40
Business PBX Trunk Service			
Inward Only		\$	65.50
Both-way or Outward Only		\$	65.50
DID Trunk		\$	65.50
DID Combination		\$	127.01

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# EXHIBIT 12

# INFORMATIONAL TARIFF FOR INTRASTATE MESSAGE TELECOMMUNICATIONS (TOLL) SERVICES

# REGULATIONS RATES AND SCHEDULE OF CHARGES APPLICABLE TO MESSAGE TELECOMMUNICATIONS SERVICES FURNISHED BY

KNOLOGY OF TENNESEE, INC.

BETWEEN POINTS
WITHIN THE STATE OF TENNESSEE
FOR INTRASTATE COMMUNICATIONS SERVICES
AS PROVIDED FOR HEREIN.

Service is provided by means of wire, radio, terrestrial, or satellite facilities or any combination thereof, as specified herein.

A copy of this Tariff is on file with the Tennessee Regulatory Authority.

A copy of this Tariff is available for review during normal business hours at the Company's principal place of business, located at (To be determined).

Issued: Effective:

Issued by:

#### **CHECK SHEET**

The title page and pages 1 through 37 inclusive of this Tariff are effective as of the dates shown. Original and revised pages, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>Page</u>	Revision	<u>Page</u>	Revision	<u>Page</u>	Revision
1	Original	26	Original		
2	Original	27	Original		
3	Original	28	Original		
4	Original	29	Original		
5	Original .	30	Original		
6	Original	31	Original		
7	Original	32	Original		
8	Original	33	Original		
9	Original	34	Original		
10	Original	35	Original		
11	Original	36	Original		
12	Original	37	Original		
13	Original		•		
14	Original				
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18	Original				
19	Original				
20	Original				
21	Original				
22	Original				
23	Original				
24	Original				
25	Original				

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Issued by:

<sup>\*</sup> Indicates revised sheet included in the most recent filing.

# **TABLE OF CONTENTS**

		<u>Page No.</u>
Check	k Sheet	2
Table	of contents	3-6
Index.		7-8
Concu	urring Carriers	10
Conne	ecting Carriers	10
Other	Participating Carriers	10
Regist	tered Servicemarks	10
Regist	tered Trade Marks	10
Explai	nation of Symbols	10
Sectio	on 1: General	11
1.1	Application of Tariff	11
1.2	Definitions	11
Sectio	on 2: Rules and Regulations	15
2.1	Undertaking of the Company	15
	1. Scope	15
	2. Limitations	15
2.2	Obligations of the Customer	16
2.3	Liabilities of the Company	18
2.4	Service Orders	19

Issued:

Effective:

Issued by:

# TABLE OF CONTENTS (Cont'd)

			Page No.
2.5	Charges and	d Payments for Service or Facilities	20
	1.	Deposits	20
	2.	Description of Payment and Billing Periods	21
	3.	Taxes, Gross Revenue, Gross Income and Gross Earnings Surcharges	21
	4.	Payment and Late Payment Charge	22
	5.	Returned Check Charge	22
	6.	Suspension or Termination for Nonpayment	22
	7.	Credit Allowance/Service Interruptions	23
	8.	Service Interruption Measurement	24
2.6	Termination	n or Denial of Service by the Company	25
2.7	Special Ser	vices	26
	1.	General	26
	2.	When Applicable	26
	3.	Cancellation	27
2.8	Special Price	cing Arrangements	27
2.9	Special Cor	nstruction	27
Issued	<b>i</b> :		Effective:
Issued	ł by:		

I

# TABLE OF CONTENTS (Cont'd)

			<u>Page No.</u>
2.10	Inspection	n, Testing and Adjustment	28
Sectio	n 3: Gener	al Classification and Description of Services	29
3.1	Service Po	oints	29
3.2	Measurem	nents	29
	1.	Time of Day Rate Period	29
	2.	Availability of Service	29
	3.	Holiday Rates	29
3.3	Timing of	Calls	30
3.4	Computati	ion of Distance	31
3.5	Method of	f Applying Rates	32
3.6	Promotion	nal Discounts	32
3.7	Dialed Do	omestic Message Telecommunications Services	32
3.8	Calling Ca	ard Service	33
3.9	800 Service	ce	33
3.10	Directory	Assistance	33
3.11	Calling Ca	ards	33
3.12	Residentia	al Direct Dial Service	33
3.13	Business I	Direct Dial Service	33
Issued	:		Effective:
Issued	by:		

# TABLE OF CONTENTS (Cont'd)

		Page No.
Section	4: Rates and Charges	34
4.1	Returned Check Charge	34
4.2	Rate Schedules	34-37
4.3	Discounts for Hearing Impaired Customers	37

Issued:

Effective:

Issued by:

#### **GENERAL INDEX**

#### INDEX

SUBJECT	<u>PAGE NO.</u>
Availability of Services	29
Business Direct Dial Service	35
Calling Card Service	33
Computation of Distance	31
Credit Allowances	23
Definitions	11-14
Deposits:	
Applicant Requirements for	20
Calculation of	20
Interest on	20
Record of	20
Refund of	20
Description of Payment and Billing Periods	21
Dialed Domestic Message Telecommunications Services	32
Directory Assistance	28
Holiday Rates	29
Inspection, Testing and Adjustments	28
Liability of the Company	18
Issued:	
issucu.	Effective

Issued by:

# TABLE OF CONTENTS AND GENERAL INDEX (Cont'd)

#### INDEX

<u>SUBJECT</u> <u>PAC</u>	<u>SE NO.</u>
Obligation of the Customer	16-18
Payment and Late Payment Charges	22,34
Promotional Discounts	32
Residential Direct Dialed Service	34
Returned Check Charge	22
Suspension or Termination for Non-Payment	22
Service Interruptions	23-24
Service Orders	19
Service Points	29
Special Construction	27
Special Pricing Arrangements	27
Special Services	26-27
Taxes, Gross Revenue, Gross Income and Gross Earnings Surcharge	21
Timing and Billing Increments of Calls	30

Issued:

Issued by:

#### **TARIFF FORMAT SHEET**

- A. **Sheet Numbering** Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Tennessee Regulatory Authority. For example, the 4<sup>th</sup> revised Sheet 14 cancels the 3<sup>rd</sup> revised Sheet 14. Because of various suspension periods, deferrals, etc, the Tennessee Regulatory Authority follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. **Paragraph Numbering Sequence** There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2. 2.1. 2.1.1. 2.1.1.A. 2.1.1.A.1. 2.1.1.A.1.(a). 2.1.1.A.1.(a).I. 2.1.1.A.1.(a).I.

2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets – When a tariff filing is made with the Tennessee Regulatory Authority, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. An asterisk (\*) designates all revisions made in a given filing. There will be no other symbols used on this page if these are the only changes made too it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Tennessee Regulatory Authority.

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#### **CONCURRING CARRIERS**

None

#### **CONNECTING CARRIERS**

None

#### OTHER PARTICIPATING CARRIERS

None

#### REGISTERED SERVICE MARKS

**REGISTERED TRADEMARKS** 

None

None

#### **EXPLANATION OF SYMBOLS**

- (D) Delete or Discontinue
- (I) Change Resulting in an Increase to a Customer's Bill
- (M) Moved from another Tariff Location
- (N) New
- (R) Change Resulting in a Reduction to a Customer's Bill
- (T) Change in Text or Regulation But no change in Rate or Charge

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#### **SECTION 1: GENERAL**

#### 1.1 Application of Tariff

- 1. This Tariff contains the regulations and rates applicable to the provision of Intrastate Message Telecommunications Service by KNOLOGY of Tennessee, Inc., hereafter referred to as the "Company", from its points of presence in the State of Tennessee to domestic points, as specified herein. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions.
- 2. The provision of such service by the Company as set forth in this Tariff does not constitute a joint undertaking with the Customer for the furnishing of any service.

#### 1.2 Definitions

Certain terms used throughout this Tariff are defined as follows:

#### 1. Access Code

A sequence of numbers that, when dialed, connect the caller to the Provider of Operator Services associated with that sequence.

#### 2. Aggregator

Any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premise, for intrastate telephone calls using a Provider of Operator Services.

#### 3. <u>Application for Service</u>

A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the Company to provide the service as required.

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#### SECTION 1: GENERAL (Cont'd)

#### 1.2 <u>Definitions</u> (Cont'd)

#### 4. <u>Authorization Code</u>

A numerical code, one or more of which may be assigned to a Customer to enable the Company to identify the origin of the user or individual users or groups of users on one account so that the Company may rate and bill the call.

#### 5. Commission

The Tennessee Regulatory Authority.

#### 6. <u>Common Carrier</u>

A company or entity providing telecommunications services to the public.

#### 7. Company

KNOLOGY of Tennessee, Inc., unless the context indicates otherwise.

#### 8. Consumer

A person initiating any intrastate telephone call.

#### 9. Customer

Any individual, partnership, association, trust, corporation, cooperative or governmental agency or other entity which utilizes the services provided by the Company on a subscription basis. A Customer, as set forth herein, is responsible for the payment of charges and for compliance with all applicable terms of the Company's Tariff.

#### 10. Customer Provided Equipment

Terminal Equipment or facilities provided by persons other than the Company and connected to the Company's services and/or facilities.

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#### **SECTION 1: GENERAL** (Cont'd)

#### 1.2 <u>Definitions</u> (Cont'd)

#### 11. <u>Dialed Access</u>

An arrangement whereby a Customer uses the public switched network facilities of a local exchange telephone company to access the terminal of the Company.

#### 12. <u>Domestic Message Telecommunications Service (MTS)</u>

The term "Domestic Message Telecommunications Service" denotes the furnishing of station-to-station direct dial Intrastate switched network services to the Customer for the completion of long distance voice and dial up low speed data transmissions over voice grade channel from the Company's points of presence to domestic points as specified herein.

#### 13. Equal Access

Has the meaning given that term in Appendix B of the Modification of Final Judgment entered August 24, 1982, in United States v. Western Electric, Civil Action No. 82-0192 (United States District Court, District of Columbia), as amended by the Court in its orders issued prior to October 17, 1990.

#### 14. Equal Access Code

An access code that allows the public to obtain an Equal Access connection to the carrier associated with that code.

#### 15. <u>Local Exchange Carrier (LEC)</u>

A telephone company which furnishes local exchange services.

#### 16. Measured Usage Charge or Measured Charge

A charge assessed on a per-minute basis in calculating all or a portion of the charges due for a completed call over the Company's facilities.

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#### SECTION 1: GENERAL (Cont'd)

#### 1.2 <u>Definitions</u> (Cont'd)

#### 17. Other Common Carrier

The term "Other Common Carrier" denotes a common carrier, other than the Company, providing domestic or international communications service to the public.

#### 18. Premise

The space designated by a Customer as its place or places of business for provision of service or for its own communications needs.

#### 19. Service

The offerings by the Company to the Customer under this Tariff.

#### 20. Subscriber

An Aggregator that selects the Company as the Presubscribed provider of Operator Services for one or more locations within that Aggregator's control.

#### 21. Subscriber Surcharge

A surcharge imposed by the Subscriber, to be paid by the consumer, for the use of Subscriber's telephone instruments, and other facilities in obtaining access to the Company's services.

#### 22. Telecommunications

The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or any other form of intelligence.

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#### **SECTION 2: RULES AND REGULATIONS**

# 2.1 <u>Undertaking of the Company</u>

#### 1. Scope

The Company is a carrier providing intrastate domestic communications services to Customers for their direct transmission of voice, data and other types of telecommunications within the United States as described in this Tariff.

#### 2. <u>Limitations</u>

- A. The services provided pursuant to this Tariff are offered subject to the availability of facilities and the other provisions of this Tariff.
- B. The Company does not undertake to transmit communications or messages, but rather furnishes facilities, service and equipment for such transmissions by the Customer.
- C. The Company retains the right to deny service to any new Customer which fails to comply with the rules and regulations of this Tariff, or other applicable rules, regulations or laws.

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#### SECTION 2: <u>RULES AND REGULATIONS</u> (Cont'd)

#### 2.2 Obligations of the Customer

- 1. All Customers assume general responsibilities in connection with the provision and use of the Company's service. General responsibilities are described in this section. When facilities, equipment, and/or communication systems provided by others are connected to the Company's facilities, the Customer assumes the additional responsibilities as set forth in Section 2.2, herein.
- 2. The Customer is responsible for the payment of all charges for any and all services or facilities provided by the Company to the Customer.
- 3. Subject to availability, the Customer may use specific codes to identify the users groups on its account and to allocate the cost of its service accordingly. The numerical composition of such codes shall be set forth by the Company to assure compatibility with the Company's accounting and automation systems and to avoid duplication of such specific codes.
- 4. The Customer shall indemnify and save harmless the Company from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright or trademark in connection with any material transmitted by the Customer using the Company's services; and any other claim resulting from any act or omission of the Customer to the use of the Company's facilities.
- Nothing contained herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any Customer or person any ownership interest or proprietary right in any particular code issued by Company; provided, however, that a Customer that continues to subscribe to Company's services will be provided a replacement code in the event such Customer's initial code is canceled.
- 6. The Customer shall reimburse the Company for damages to the Company's facilities caused by any negligence or willful act or acts on the part of the Customer.

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

- 2.2 Obligations of the Customer (Cont'd)
  - 8. The Customer shall pay and hold the Company harmless from the payment of all charges for service ordered by the Customer from the Local Exchange Carriers or other entities for telecommunications services and/or facilities connecting the Customer and the Company.
  - 9. In the event a suit is brought by the Company and won, or an attorney is retained by the Company to collect any bill or enforce the terms of this Tariff against a Customer, and Judgement is made for The Company, that Customer shall be responsible for payment of all reasonable attorney's fees, court costs, costs of investigation and any and all other related costs and expenses incurred by the Company in connection therewith.
  - 10. The Customer understands that the services are furnished subject to the condition that there will be no abuse, fraudulent and/or illegal use thereof. Such activity includes, but is not limited to:
    - A. Using the service for any purpose which is in violation of any law.
    - B. Obtaining or attempting to obtain services through any scheme, false representation and/or use of any fraudulent means or devices whatsoever with the intent to avoid payment, in whole or in part, of charges for services, or assisting any other person or firm in such regard.
    - C. Attempting to, or actually obtaining, accessing, altering, or interfering with the communications and/or information by rearranging, tampering with or making any connection with any facilities of the Company or assisting any other person or firm in such regard.
    - D. Using the services in a manner that interferes unreasonably with the use of service by one (1) or more other Customers.
    - E. Using the service to convey information deemed to be obscene, salacious, or prurient, to impersonate another person with fraudulent or malicious intent, to call another person or persons so frequently, at such times, or in such a manner as to annoy, abuse, or harass, or to convey information of a nature or in a manner that renders such conveyance unlawful.

# SECTION 2: RULES AND REGULATIONS (Cont'd)

- 2.2 Obligations of the Customer (Cont'd)
  - 11. The Customer shall be responsible for all maintenance of such equipment and/or facilities.

### 2.3 Liabilities of the Company

- 1. The liability of the Company for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Tariff, including, but not limited to, mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to the charges under this Tariff applicable to the specific call (or portion thereof) that was affected. No other liability shall attach to the Company.
- 2. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: (1) acts of God, fires, flood or other catastrophes; (2) any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or (3) national emergencies, insurrections, riots, or wars.
- 3. The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used by a Customer, with the Company's services. In addition, the Company shall not be liable for any damages or losses due to the failure or negligence of any Customer or due to the failure of Customer provided equipment, facilities or services.

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

# 2.4 Service Orders

The Customer must place an application for service with the Company to initiate the services provided pursuant to this Tariff. All applications for services must be in writing and provide, at a minimum, the following information:

- 1. Customer's name(s), telephone number(s) and address(es). In the case of a corporation or partnership, a designated officer or agent shall be named as the contact person for such corporation or partnership.
- 2. Name(s), address(es) and telephone number(s) of person(s) to whom notices from the Company to the Customer shall be addressed, if different from (A) above.
- 3. The amount of toll service usage the Customer was billed for the two (2) months immediately preceding the request for service if such information is applicable and available.

Effective:

# SECTION 2: RULES AND REGULATIONS (Cont'd)

#### 2.5 Charges and Payments for Service or Facilities

# 1. <u>Deposits</u>

- A. The Company may, in order to safeguard its interests, require a Customer to make a suitable deposit or provide a surety bond or letter of credit in the amount of the required deposit as a guarantee of the payment of charges. The Company shall have the right to require the Customer to make a deposit prior to or at any time after provision of any service, not to exceed one (1) month estimated charges. The Company may increase the amount of the deposit to reflect increases to the Customer's annual bill, but in no event will the required deposit exceed two and one half (2 ½) month's estimated charges. The Customer will receive a receipt for the deposit.
- B. Any deposit as referred to in this section shall be held by the Company to secure the payment of the Customer's bill. At the Company's option, the deposit may be refunded or credited to the Customer at any time prior to the termination of service.
- C. Interest will be paid by the Company on all sums held on deposit at a rate not to exceed the rate established annually by the Tennessee Regulatory Authority, respectively, for customer deposits. The interest will be accrued for the period during which the deposit is held by the Company.
- D. The Company will accept Advance payments and will apply that payment towards the Customers account.
- E. The fact that a deposit is made does not relieve the Customer from making advance payments or from complying with the Company's regulations for the payment of bills in accordance with the terms herein and does not constitute a waiver or modification of the regulations of the Company providing for the discontinuance of service for nonpayment of any sums due the Company for service rendered.
- F. Upon termination of service, and assuming deposits of the Customer are not applied as indicated in Section 2.5.1.B, the deposit will be credited to the Customer's account and any credit balance will be refunded after all amounts due the Company have been paid.

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

- 2.5 Charges and Payments for Service or Facilities (Cont'd)
  - 2. Description of Payment and Billing Periods
    - A. Service is provided and billed on a monthly basis. Service continues to be provided and billed on a monthly basis until canceled by the Customer through notice given to the Company.
    - B. When billing functions are performed by a Local Exchange Carrier (LEC), commercial credit card company or others, the payment conditions and requirements of such LECs apply, including any applicable interest.
    - C. In the event a LEC, commercial credit card company or others ceases efforts to collect any amounts associated with the Company's charges, the Company may bill the Customer or the called party directly, and may utilize its own billing and collection procedures which shall be consistent with all applicable statutes, rules and regulations.
    - D. The Company's name and the Company's toll-free number (for receiving inquiries and complaints) will appear on the end-user's bills.
  - 3. Taxes, Gross Revenue, Gross Income, and Gross Earnings Surcharges
    - A. Sales tax is covered by State statute and other applicable taxes may be covered by State or Federal statutes. Such taxes may be included on Customer bills, in separate line items, in accordance with any applicable rules of the state or federal regulatory authority.
    - B. In addition to all recurring, non-recurring, minimum, usage, surcharges or special charges, the Customer identified in this Tariff shall also be responsible for and shall pay all applicable federal, state and local taxes or surcharges, including sales, use, excise, gross earnings, and gross income taxes. All such taxes shall be separately shown and charged on bills rendered by Company or its billing agent. Sales and use taxes shall be applied to all charges and shall also be applied to all applicable gross earnings, gross revenue and gross income taxes.

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Effective:

# INTRASTATE MESSAGE TELECOMMUNICATIONS SERVICE

# SECTION 2: RULES AND REGULATIONS (Cont'd)

# 2.5 Charges and Payments for Service or Facilities (Cont'd)

#### 4. Payment and Late Payment Charge

- A. Payment will be due as specified on the Customer bill. Commencing after that due date, a late charge of up to the highest interest rate allowable by law will be applied to all amounts past due. (Currently, the highest allowable rate is one and one half percent (1 ½%) per month.)
- B. Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge. The late payment charge does not apply to unpaid balances associated with disputed amounts. Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill.
- C. Service may be denied or discontinued, with 5 working days notice, at the Company's discretion for nonpayment of amounts due the Company past the due date as specified in 2.5.4.A. Restoration of service will be subject to all applicable installation charges.

#### 5. Returned Check Charge

In cases where the Company issues direct bills to Customers, and payment by check is returned for insufficient funds, or is otherwise not processed for payment, there will be a charge of \$20. Such charge will be applicable on each occasion when a check is returned or not processed.

#### 6. Suspension or Termination for Nonpayment

In the event of nonpayment of any bill rendered or any required deposit, the Company may, after giving five (5) working days written notice, suspend service to the Customer. The Company will not suspend service for nonpayment unless the payment is at least twenty-nine (29) days past due.

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

- 2.5 Charges and Payments for Service or Facilities (Cont'd)
  - 7. Credit Allowances/Service Interruptions
    - A. Credit for interruption of service will be allowed only when the interruption is caused by or occurs in the Company's facilities or equipment owned, provided and billed for by the Company. A credit allowance is not applicable for any period during which Customer cannot utilize the service, except for such period where the service is interrupted by the Company for access to its facilities for the purposes of investigating and clearing troubles and/or maintenance.
    - B. Credit allowances for interruption of service or equipment starts when the Customer notifies the Company of the interruption and ceases when the operation has been restored and an attempt has been made to notify the Customer by the Company.
    - C. The Customer shall notify the Company of interruptions of service or equipment and make reasonable attempts to ascertain that the interruption is not caused by Customer provided equipment or Customer provided facilities, any act, or omission of the Customer, or in wiring or equipment connected to the Customer's terminal.
    - D. Only those portions of the service or equipment operation disabled will be credited.
    - E. Any credit provided to the Customer under this Tariff shall be determined in accordance with the provisions of Section 2.5.8.

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#### SECTION 2: RULES AND REGULATIONS (Cont'd)

- 2.5 Charges and Payments for Service or Facilities (Cont'd)
  - 8. Service Interruption Measurement
    - A. In the event of an interruption of service that exceeds the minimum requirements set forth in this paragraph, the Company shall make a credit allowance at the Customer's request for a <u>pro rata</u> adjustment of all service charges billed by the Company for services rendered inoperative by the interruption. The credit allowance will be computed by dividing the duration of the service interruption measured in twenty-four (24) hour days, from the time the interruption is reported to the Company, by a standard thirty (30) day month, and then multiplying the result by the Company's fixed monthly charges for each interrupted service.

The credit allowance formula is as follows:

$$\frac{A}{720} \times B = Credit Allowance$$

A = Duration of service interruptions measured in hours.

B = Company's fixed monthly charges for each interrupted service.

A period of time less than six (6) hours shall not be credited. In no case shall the credit exceed the total monthly charges. No adjustments will be made for periods of noncontinuous interruptions, and no other liability shall attach to the Company in consideration of such interruption to service.

B. A credit allowance will not be given for interruptions caused by the negligence or willful act of the Customer, or interruptions caused by failure of equipment or service not provided by the Company.

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

- 2.6 Termination or Denial of Service by the Company
  - 1. The Company may, immediately and without notice to the Customer, and without liability of any nature, temporarily deny, terminate, or suspend service to any Customer:
    - A. In the event such Customer or its agent: (a) willfully damages the Company equipment, interferes with use of the Company's service by other Customers of the Company; (b) violates any statute or provision of law, or any rule or regulation of any state or federal regulatory agency relating to communications; or
    - C. In the event that the Company determines that any service is being used fraudulently or illegally, whether by a Customer or its agent.
  - 2. The Company may, with 5 working days notice, and without liability of any nature, temporarily deny, terminate, or suspend service to any Customer:
    - A. In the event a customer becomes insolvent, is the subject of any formal legal proceeding commenced in a court involving a voluntary or involuntary petition or proceeding in bankruptcy, seeks protection or relief from creditors in a formal legal proceeding after a filing for such relief, or executes an assignment for the benefit of creditors; or

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

#### 2.7 Special Services

#### 1. General

For the purpose of this Tariff, Special Services are deemed to be any service requested by the Customer and provided by the Company for which there is no prescribed rate in this Tariff. Special Services charges will be developed on an individual case basis (ICB) and may be established by contract between the Company and the Customer. Such contract or ICB rates will be filed with the Commission for its approval thirty (30) days in advance, if required by applicable rules and regulations. The Company will not discriminate between similarly situated customers

# 2. When Applicable

Special Services rates apply in the following circumstances:

- A. If at the request of the Customer, the Company obtains facilities not normally used by the Company to provide service to its Customer;
- B. If at the request of the Customer, the Company provides technical assistance not normally required to provide service;
- C. Where special signaling, conditioning, equipment, or other features are required to make Customer provided equipment compatible with the Company's service;
- D. When, at the specific request of the Customer, installation by the Company or its agent and/or routine maintenance is performed outside of the regular business hours.
- E. If installation and/or routine maintenance is extended beyond normal business hours at the request of the Customer and these circumstances are not the fault of the Company, Special Service charges may apply. Such circumstances include, but are not limited to, stand-by in excess of one (1) hour, weekend, holiday or night time cut-over, and additional installation testing in excess of the normal testing required to provide service.

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#### SECTION 2: RULES AND REGULATIONS (Cont'd)

#### 2.7 <u>Special Services</u> (Cont'd)

#### 3. Cancellation

If a Customer orders service requiring special facilities dedicated to the Customer's use and then cancels its order before the service begins, before completion of any minimum service periods associated with such special facilities ordered by the Company or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be made to the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by installation and monthly charges. If, based on such an order, any construction has either begun or been completed, but no such service provided, the nonrecoverable cost of such construction shall be borne by the Customer.

# 2.8 Special Pricing Arrangements

Customized Service packages and competitive pricing arrangements at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers for proposals or for competitive bids. Special Pricing Arrangements offered under this Tariff will be provided to the Customer pursuant to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the Tariff. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. Such contracts will be filed with the Commission for approval if required by applicable rule or regulation.

# 2.9 Special Construction

All rates and charges quoted in this Tariff provide for the furnishing of a service when suitable facilities are available or where the construction of the necessary facilities does not involve unusual costs. When the revenue to be derived from the service does not warrant the Company assuming the unusual costs of providing the necessary construction, the Customer may be required to pay all or a portion of such costs and to contract for the service for a sufficient period to warrant the construction, depending upon the circumstances in each case. The Company's charges for such special construction shall follow the same guidelines for establishing charges for Special Services as described in Section 2.8 of this Tariff.

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# SECTION 2: RULES AND REGULATIONS (Cont'd)

# 2.10 Inspection, Testing and Adjustment

- 1. The Company may, upon reasonable notice, make such tests and inspections as may be necessary to investigate the installation, operation or maintenance of the Customer's or the Company's equipment or connecting facilities. The Company may interrupt service at any time, without penalty or liability to itself, where necessary to prevent improper use of service, equipment, facilities, or connections.
- 2. Upon reasonable notice, the facilities and equipment provided by the Company shall be made available to the Company for such tests and adjustments as may be necessary for its maintenance in a condition satisfactory to the Company. No interruption allowance will be granted for the time during which such tests and adjustments are made, unless such interruption exceeds four (4) hours in length.

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#### SECTION 3: GENERAL CLASSIFICATION AND DESCRIPTION OF SERVICES

# 3.1 Service Points

1. The Company provides originating service from domestic points in the United States to domestic points identified in this Tariff.

#### 3.2 <u>Measurements</u>

# 1. <u>Time-of-Day Rate Period</u>

Time-of-Day Rate Periods do not apply . KNOLOGY of Tennessee offers a Flat Rate Service.

#### 2. Availability of Service

The service is available at the rates listed in Section 4, through subscription to any of the domestic message telecommunication service offerings available from the Company. Each of these offerings utilize the same rate schedules but have different rates and billing increments for each of the rate schedules.

#### 3. <u>Holiday Rates</u>

A. During the following officially recognized holidays, Evenings Rates will be applicable during all hours, except for hours when a lower rate (i.e., Night/Weekend) is applicable.

New Year's Day\*\*

Memorial Day\*

Independence Day\*\*

Martin Luther King Day\*

President's Day\*

Labor Day

Christmas Day\*\*

Columbus Day\*

Veterans' Day\*\*

- \* Applies to Federally observed day only.
- \*\* When this holiday falls on a Sunday, the Holiday calling rate applies to calls placed on the following Monday. When this holiday falls on a Saturday, the Holiday calling rate applies to calls placed on the preceding Friday.

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### SECTION 3: GENERAL CLASSIFICATION AND DESCRIPTION OF SERVICES (Cont'd)

# 3.3 Timing and Billing Increments of Calls

- 1. Unless otherwise indicated in this Tariff, calls are timed by the Company in sixty (60) second increments. "Ring-busy" and "ring-no-answer" calls will not knowingly be charged to the Customer and if charged in error, will be credited by the Company to the Customer. Timing begins at the "starting event". The starting event occurs when the Company's terminal experiences an "Incoming Signaling Protocol Successful," i.e., upon the seizure of an inbound trunk. Timing ends at the "terminating event," unless otherwise specified. The terminating event occurs when the Company's terminal receives a signal from the LEC that either the calling party or the called party has hung up. Time between the starting event and the terminating event is the call duration. The minimum call duration for a completed call is sixty (60) seconds, unless otherwise specified.
- 2. There shall be no charge for unanswered calls. Upon receiving reasonable and adequate notice of billing from a Customer for any such call, the Company may issue a credit in an amount equal to the charge for the call. Calls which are in progress longer than one (1) minute will be presumed to have been answered.
- 3. Domestic Message Telecommunications Service rates are quoted in terms of initial and additional minutes. The initial minute is the first minute or any fraction thereof after connection is made. The additional minute is each minute or any fraction thereof after the initial minute.
- 4. The time of day at the calling party rate center determines what Time-of-Day rate period applies.
- 5. The minimum call duration for billing purposes is 1 minute for connected call and calls beyond 1 minute are billed in 1 minute increments.
- 6. Billing will be rounded up to the nearest penny for each call.

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### SECTION 3: GENERAL CLASSIFICATION AND DESCRIPTION OF SERVICES (Cont'd)

# 3.4 Computation of Distance

- 1. All calls are rated on the basis of airline mileage locations of the caller and the called party, regardless of the call's routing.
- 2. Airline mileage is obtained by using the "V" and "H" coordinates assigned to each point. To determine the airlines distance between any two cities, the airline mileage is determined as follows:
  - A. Obtain the "V" and "H" coordinates for each city.
  - B. Obtain the difference between the "V" coordinates of each of the cities. Obtain the difference between the "H" coordinates.
  - C. Square each difference obtained in step 2, above.
  - D. Add the square of the "V" difference and the "H" difference obtained in step 3, above.
  - E. Divide the number obtained in step 4 by 10. Round to the next higher whole number if any fraction is obtained.
  - F. Obtain the square root of the whole number obtained in step 5 above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.
  - G. The airline mileage formula is as follows:

$$\frac{\sqrt{(V_1 - V_2)^2 + (H_1 - H_2)^2}}{10}$$

 $V_1$  and  $H_1$  are the V and H coordinates for City 1.  $V_2$  and  $H_2$  are the V and H coordinates for City 2.

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#### SECTION 3: GENERAL CLASSIFICATION AND DESCRIPTION OF SERVICES (Cont'd)

#### 3.5 Method of Applying Rates

- 1. Calls that begin in one rate period and terminate in another will be billed for the entire call duration at the rate applicable at the commencement of the call. Time of Rate Period does not apply to KNOLOGY of Tennessee. KNOLOGY offers a Flat Rate Plan.
- 2. Unless specified otherwise in this Tariff, the duration of each call for billing purposes will be rounded off to the nearest higher minute.

#### 3.6 Promotional Discounts

The Company may from time to time offer promotional discounts. Such discounts will be for a specified period of time, will not exceed published rates, and will be offered to all qualifying Customers on a non-discriminatory basis, under any rules prescribed by the Commission.

# 3.7 <u>Dialed Domestic Message Telecommunications Services</u>

- Dialed Domestic Message Telecommunications Services are measured use, full time services and are offered on a monthly basis, utilizing intrastate communications facilities. When appropriate access arrangements exist, these switched services are available on a pre-subscription (Equal Access) basis. Otherwise, the services require that a Customer access the Company's network via an alternative access code arrangement such as "900-XXXX" plus the Customer's security code, a toll-free "1-800" telephone number with the Customer's security code, or via "1-0-XXX" code with Customer security code.
- 2. Depending upon the service option chosen by the Customer, the charges for the use of such domestic intrastate communications facilities may be based upon the time of day, the total minutes of use and/or the distance of each call.
- 3. All Customers shall be charged the rates identified in Section 4.2.1 for Residential Customers and in Section 4.2.2 for Business Customers.

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### SECTION 3: GENERAL CLASSIFICATION AND DESCRIPTION OF SERVICES (Cont'd)

# 3.8 <u>Calling Card Service</u>

Calling Card Service permits Customers which have arranged for a Company-issued calling card to make calling card calls throughout the domestic United States through the use of a specific "1-800" telephone number provided by the Company. The rates for this service are provided for in Section 4.2.4, herein.

# 3.9 <u>800 Service</u>

800 Service is a one-way inbound service originating on feature group facilities provided by the Company and terminating on a regular telephone line. The Customer is responsible for payment of all charges associated with such terminating calls rather than the calling party.

#### 3.10 <u>Directory Assistance</u>

Directory assistance will be provided by the Company as part of the service furnished by the Company. The Customer will be billed usage at the appropriate rate.

#### 3.11 Calling Cards

- 1. KNOLOGY of Tennessee Calling Card, refers to any calling card issued by the Company for Message Telecommunication Service.
- 2. Non-KNOLOGY of Tennessee Calling Card, refers to any calling card issued by any certified provider of Message Telecommunication Services other than KNOLOGY.

#### 3.12 Residential Direct Dial Service

Residential Direct Dial Service permits residential customers to make interexchange telecommunications calls at the rates specified in Section 4.2.1.A, herein.

# 3.13 Business Direct Dial Service

Business Direct Dial Service permits business customers to make interexchange telecommunications calls at the rates specified in Section 4.2.2.A, herein.

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### **SECTION 4: RATES AND CHARGES**

### 4.1 Returned Check Charge

Customers whose payment by check is returned for insufficient funds, or is otherwise not processed for payment, will be subject to a returned check charge. Such charge will be applicable on each occasion when a check is returned or not processed.

Per Occasion

\$ 20.00

# 4.2 <u>Rate Schedules</u>

# 1. Residential Direct Dial Service

#### A. Usage Plan

Residential direct dial calls are timed by the Company in sixty (60) second increments. Rates are not mileage or time of day sensitive. Customers are billed on a minimum monthly commitment. Should the Customer not meet the monthly estimated usage, the Company and the Customer will determine whether this is the correct plan for the Customer. In any case, the Customer will not be billed the minimum usage should the estimated monthly billing be met.

Minimum Monthly Billing	Current Rate
\$0 - \$34.99	0.15/min
\$35.00 +	0.10/min

#### B. Seven Cents Plan

Per minute	\$0.07/minute
Monthly recurring charge	\$4.95/month

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# **SECTION 4: RATES AND CHARGES** (Cont'd)

# 4.2 Rate Schedules (Cont'd)

# 2. Business Direct Dial Service

# A. Usage Plan

Rates are not mileage or time of day sensitive. Customers are billed on a minimum monthly commitment. Should the Customer not meet the monthly estimated usage, the next appropriate rate threshold will apply. In any case, the Customer will not be billed the minimum usage should the estimated monthly billing be met.

Minimum			
Monthly Billing	No Contract	1 year	2 year
\$0-\$49.99	\$0.15/min	\$0.093	\$0.085
\$50-\$199.99	\$0.109/min	\$0.093	\$0.085
\$200+	\$0.099/min	\$0.093	\$0.085

#### B. Seven Cents Plan

Per minute
Monthly recurring charge

\$0.07/minute \$4.95/month

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# SECTION 4: RATES AND CHARGES (Cont'd)

#### 4.2 Rate Schedules (Cont'd)

#### 3. <u>Calling Card Service</u>

#### A. Availability of Service

The Company will honor KNOLOGY of Tennessee, Inc. Calling Cards and Non-KNOLOGY of Tennessee, Inc. Calling Cards.

#### B. KNOLOGY of Tennessee, Inc. Calling Card

Calling Card Calls completed with the KNOLOGY of Tennessee Inc. Calling Card are available at the rates specified below:

Per Minute Charge

\$ 0.27 per minute

Surcharge for Calling Card calls made from Payphones \$0.30/call

The same rate will apply in all times of day and days of week without regard to distance.

#### Non-KNOLOGY of Tennessee, Inc. Calling Card

The Company allows Customers to utilize the line-based Calling Cards of other local exchange carriers. Different pricing applies to the utilization of other carriers' line-based Calling Cards. These prices are established by each individual carrier.

Non-KNOLOGY of Tennessee, Inc. Calling Card - Surcharge \$0.80

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# SECTION 4: RATES AND CHARGES (Cont'd)

#### 4.2 Rate Schedules (Cont'd)

#### 4. <u>800 Service</u>

#### A. Monthly Recurring Charge

In addition to the Usage Charge described in this section, there shall be assessed a monthly charge per line for each 800 Service terminating line at the rates specified below:

Monthly Recurring Charge

\$3.00 per month

# B. <u>Usage Charge</u>

800 Service is available at the same usage sensitive (per-minute) rate as specified in Section 4.2.1.A for Residential and Section 4.2.2.A for business Service.

# 4.3 <u>Discounts for Hearing Impaired Customers</u>

The Company currently does not offer time-of-day rates. However, in the event that this changes, Intrastate toll message rates for TDD users, which is communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, shall be evening rates for daytime calls and night rates for evening and night calls.

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# EXHIBIT 13 YEAR 2000 DISCLOSURE

#### Year 2000

The term "Year 2000 issue" is a general term used to describe the various problems that may result from the improper processing of dates and date-sensitive calculations by computers and other machinery as the year 2000 is approached and reached. These problems generally arise from the fact that most of the world's computer hardware and software have historically used only two digits to identify the year in a date, often meaning that the computer will fail to distinguish dates in the "2000's" from dates in the "1900's." These problems may also arise from other sources as well, such as the use of special codes and conventions in software that make use of the date field.

#### State of Readiness

The Company established a Year 2000 Program Office to coordinate appropriate activity and report to the executive management and the Board of Directors on a continuing basis with regard to the Year 2000 issue. The Year 2000 Program Office has implemented a comprehensive plan (the "Year 2000 Plan") for the Company to become Year 2000 ready by the middle of the fourth quarter 1999. The Year 2000 Plan covers the following Company systems (collectively, the "Systems"):

- business-critical information technology and operating systems ("Critical IT Systems") which are comprised substantially of commercial off-theshelf software and other third party software and hardware relating to, among others;
- billing of cable, telephone and Internet services;
- customer service;
- financial operations and reporting, including accounts payable;
- materials management;
- network monitoring;
- non-critical information technology and operating systems ("Non-Critical IT Systems") which also are substantially comprised of commercial off-the-shelf software and other third party software and hardware relating to, among others, spreadsheet, word processing, Internet intra-corporate communications and supporting and related operating systems;
- the systems of the major vendors, third party network service providers and other material service and content providers ("Third Party Systems") which include, without limitation, cable content providers, network long distance telephone carrier providers and telephony switching services; and
- non-information technology systems, including the external customer network, cable and telephone delivery systems embedded technology ("Non-IT Systems") relating to, among others, security systems and HVAC.

The Year 2000 Plan consists of six phases: (i) awareness, (ii) assessment, (iii) remediation (whether by upgrade or replacement), (iv) testing and validation, (v) implementation and (vi) creation of contingency plans in the event of year 2000 failures. The Company has completed the awareness, assessment and contingency plan phases of its Year 2000 Plan for all the Critical IT Systems, the Non-Critical IT Systems, and the Non-IT Systems. The Company has substantially completed the remediation, the testing and the validation, and the implementation phases for the Critical IT Systems, the Non-Critical IT Systems and the Non-IT Systems. Certain actions in the remediation phase have been conducted by the third parties who provide software, hardware or services that comprise the Systems. The Company has polled all the third parties who provide material hardware, software, or services as part of its Critical and Non-Critical IT Systems, with regard to each of such third party's Year 2000 compliance plan and state of readiness. Responses have been actively sought from all vendors and third parties as to Year 2000 compliance, status of plans and readiness. All key vendors have responded and most of the third parties have assured the Company that their hardware and/or software is currently, or will be Year 2000 compliant before the end of the year. The Company expects to have any remaining non-compliant systems in compliance before the end of 1999.

A Year 2000 Contingency Planning Committee was formed and developed Y2K Contingency plans for all Critical IT and Non-IT Systems and for each of the Company's Locations. Key business risks were identified and used to drive the development of these plans. Additionally, an outside consulting service has been retained to assist in Year 2000 readiness, project coordination and the execution of the Year 2000 Plan to completion.

Interstate Telephone Company, Inc., each a whollyowned subsidiary of the Company's majority stockholder, ITC Holding Company, Inc., have informed Knology's management that with the exception of the one critical IT system still being tested, that each will be Y2K ready by the 4th quarter. The Company depends on Interstate Telephone Company, Inc. and Valley Telephone Company, Inc. for its telephony carrier access billing, customer care and billing, and switching services. Both companies rely on third party vendors for the telephony customer care and billing, and switching services and both use a legacy system for telephony carrier access billing services. The legacy system used in connection with telephony carrier access billing has completed the remediation phase and is in the process of being tested. Knology is working with both companies to monitor their year 2000 plans and to prepare contingency arrangements, if necessary. Although revenues derived from the Company's telephony services currently comprise a small percentage of total revenues, the failure to timely remedy any year 2000 problems and/or develop a viable contingency plan could result in the temporary inability to provide telephony services to customers, and have a material adverse effect on the business, operations or financial results of the Company. In addition, a material Year 2000 problem with any of the Company's major vendors could interrupt its ability to provide cable, telephone or Internet services to its customers.

The scheduled commencement and completion dates for each of the phases of the Year 2000 Plan are based upon management's good faith estimates and may be updated or revised as additional information becomes available.

#### Costs

To date, approximately \$450,000 of costs have been incurred in connection with the Year 2000 Plan and the Company anticipates spending approximately \$150,000 in additional funds on costs related to the Year 2000 Plan. Future costs will include, among others, upgrades or replacements of hardware and software, and implementation of contingency plans. The Company expenses all costs associated with the Year 2000 Plan as they are incurred and anticipates funding the costs of the Year 2000 Plan from cash flows. To date, no specific IT project has been deferred due to the costs of the Year 2000 Plan.

#### Risks

The failure to remediate a material Year 2000 problem or implement a viable contingency plan could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's business, financial condition and results of operations.

# **Contingency Plans**

The Company has developed complete contingency plans that address its most reasonably likely worst case Year 2000 scenarios and has determined the material risks associated with this scenario.

# EXHIBIT 14

# PRE-FILED TESTIMONY OF BRUCE SCHOONOVER, JR.

# BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:	Application of KNOLOGY of	)	Docket No.
	Tennessee, Inc. for a Certificate of	)	
	Convenience and Necessity as	)	
	a Competing Telecommunications	)	
	Service Provider	)	

# PREFILED TESTIMONY OF BRUCE SCHOONOVER, JR.

I, Bruce Schoonover, Jr., do hereby testify as follows in support of the application of KNOLOGY of Tennessee, Inc. (KNOLOGY) for a certificate of convenience and necessity as a competing telecommunications service provider to provide telecommunications services throughout the State of Tennessee:

Q: Please state your full name, business address, and title.

A: My name is Bruce Schoonover, Jr. and my business address is 1241 O.G. Skinner Drive, West Point, Georgia 31833. I am Director - Business Development/Regulatory Affairs for KNOLOGY, Inc., which is the parent company of the Applicant.

Q: Are all statements in KNOLOGY's application for a certificate of convenience and necessity filed before the Tennessee Regulatory Authority true and correct to the best of your knowledge, information and belief?

A: Yes.

Q: Please describe the current corporate structure of KNOLOGY.

A: KNOLOGY of Tennessee, Inc. is a corporation organized under the laws of the State of Delaware and has authority to transact business in Tennessee. KNOLOGY of Tennessee, Inc. is a wholly-owned subsidiary of KNOLOGY, Inc., a

Delaware corporation, ultimately owns several subsidiaries which are currently providing the services requested in this application.

Q: Does KNOLOGY possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes.

Q: Please describe KNOLOGY's financial qualifications.

A: KNOLOGY is financially qualified to provide local exchange, intrastate interexchange and exchange access in Tennessee. The wholly-owned subsidiaries of KNOLOGY, Inc. have been providing the services outlined in this application since 1997 and have never been in default of any material financial obligation. KNOLOGY has provided the TRA with audited financial statements for KNOLOGY of Tennessee's parent company, KNOLOGY, Inc. as of December 31, 1998, and unaudited financial statements for the nine-month period ending September 30, 1999. These are consolidated financial statements for KNOLOGY, Inc. and its affiliates. KNOLOGY will fund its network and operations through ongoing operations and through equity and debt offerings and a revolving credit facility. KNOLOGY has also provided the TRA with a three-year capital budget and projected financial statements for its Tennessee operations.

Q: Please describe KNOLOGY's managerial and technical qualifications.

A: KNOLOGY possesses the managerial and technical qualifications to provide telecommunications services in Tennessee. As described in the biographical information accompanying its application, KNOLOGY's management team has extensive management and business experience in the telecommunications industry. Further,

KNOLOGY has a strong staff of engineers to support each of its seven existing interactive broadband networks.

KNOLOGY's Interactive Broadband Networks are currently high-capacity, two-way interactive, hybrid fiber-coaxial networks with signals ranging from 750 MHz to 860 MHz (designed to allow upgrades to 1,000 MHz). Each network includes hub sites with a minimum of four fiber pairs running from each hub to nodes, each node serves an average of 500 homes. This design incorporates redundant fibers running between hubs for restoration and security purposes, forming a SONET ring. By comparison, most traditional cable television systems are 450 MHz to 550 MHz and do not have significant redundancy protection. KNOLOGY provides power to its system from the hub sites each of which is equipped with a generator and uninterruptible power source ("UPS") to allow service to continue in case of power outage. For each of the Broadband Services to be offered, the Company has added electronic equipment at various hub sites and cards in various electronic housings along the network.

Local telephone service is offered over KNOLOGY's Interactive Broadband Networks in much the same way local phone companies provide service, since the network structure includes a return path suitable for voice transmission. To provide local telephone service, the Company provides switching services and installs a network interface box outside the customer's home, and may, depending on the location of telephone and cable boxes or "jack" inside the home, add inside wiring as well. The Company can offer multiple lines of telephone service using its Interactive Broadband Networks. The Company's

networks are interconnected with those of other local phone companies through a nine-state interconnection agreement with BellSouth.

Technicians in each of our service areas schedule and perform installations and repairs and monitor performance of our interactive broadband networks. KNOLOGY also operates a network operations center (NOC) in West Point, Georgia which operates 24 hours a day, seven days a week. The NOC monitors the networks in each of our service areas all the way down to the network interface device on the customer's home.

Q: What services will KNOLOGY offer?

A: KNOLOGY seeks authority to provide a broad range of local exchange, interexchange, and exchange access services throughout the State of Tennessee. KNOLOGY intends to offer these services through use of its own facilities, resold services and through a combination of these provisioning approaches. Consequently, KNOLOGY seeks certification to provide all of the services that can be provided by a local exchange company under the Tennessee Regulatory Authority's Rules. KNOLOGY also seeks certification to provide all services that can be provided by a reseller of long distance services in Tennessee. Along with the services listed in the informational tariffs filed with its application, KNOLOGY will also provide access to E911 emergency services, directory assistance, directory listings, Tennessee Relay Center, and blocking service for 900, 976-type services.

Q: Will the granting of a certificate of convenience and necessity to KNOLOGY serve the public interest and need?

A: Yes. Permitting KNOLOGY to provide the services described in its application will expand service options and increase competition in Tennessee. Approval will promote

consumer choice by expanding the availability of innovative, high quality, reliable and competitively priced telecommunications services. Approval also is likely to cause other local telecommunications providers to improve their existing services, become more efficient and introduce service innovations of their own.

Q: Has KNOLOGY filed its small and minority-owned business participation plan?

A: Yes.

Q: Has KNOLOGY filed its Year 2000 disclosure statement?

A: Yes.

Q: Has KNOLOGY filed its toll dialing parity plan?

A: Yes.

Q: Will KNOLOGY offer telecommunications services in areas served by rural telephone companies or cooperatives?

A: KNOLOGY seeks statewide authority to the extent permitted by law. Unless otherwise permitted by federal or state law, KNOLOGY has no plans to offer local exchange telecommunications services in areas served by a rural telephone company or cooperative, except for those that voluntarily entered into an agreement with a competing telecommunications service provider or that have applied to provide telecommunications services in an area outside its service area existing as of June 6, 1995. KNOLOGY reserves the right to expand its services into these areas should any ruling of the TRA or any court or administrative agency allow the provision of service in such areas.

Q: Is KNOLOGY authorized to provide telecommunications services in any other states?

A: KNOLOGY, Inc.'s wholly-owned subsidiaries are authorized to provide local exchange and interexchange telecommunications services in Alabama, Georgia, Florida and South Carolina.

Q: Who is knowledgeable about KNOLOGY's operations and will serve as KNOLOGY's regulatory and customer service contact?

A: I will serve as the contact for the TRA for all regulatory filing requirements. All customer service issues presented to the TRA can also be directed to my department's attention. We will then work with the Division's Customer Service Manager to handle any customer service issues that may arise. Normal customer inquiries will be handled at the division level. For after-hours inquiries, KNOLOGY also has a call center staffed by approximately fifty customer service representatives that operates 24 hours a day, 7 days a week. These customer service representatives are well trained to handle any customer inquiries that may come up, no matter what the time of day.

Q: Will KNOLOGY comply with all applicable statutes, rules and orders pertaining to the provision of telecommunications services in Tennessee?

A: Yes.

Q: Does this conclude your testimony?

A: Yes.

Bruce Schoonover, Jr. KNOLOGY, Inc.

Subscribed and sworn to before me this <u>A4th</u> day of January, 2000.

State of Georgia

County of Troup

My Commission expires WY COMMISSION EXPIRES APRIL 1, 2001